to transfer the whole of Upper Silesia to Poland. The German delegation in its counterproposals presented on the 29th of May, very strongly objected to this paragraph of the draft treaty.

Only with Upper Silesia—

Stated the German memorandum—

can Germany fulfill the obligations arising from the war, but without it never.

When the German counterproposals had been examined, the British Prime Minister Mr. Lloyd George advised that a plebiscite should be held in Upper Silesia. President Wilson, rather reluctantly and after some hesitation gave his assent. He stated, however, that "the people in Upper Silesia were entirely dominated by a small number of magnates and capitalists," and that his experts "did not believe that a free plebiscite was possible in these conditions"—The Paris Peace Conference, volume VI, pages 147 and the following.

The cautious judgment of the President and of his American advisers was fully vindicated by the event. German big landowners and industrial magnates exerted a very strong pressure on the working people of Upper Silesia. Coertion and intimidation reinforced the dominant influence of the German Catholic hierarchy, headed by the Archbishop of Breslau—Wroclaw—Cardinal Bertram. At the plebiscite, held on March 20, 1921, many Poles cast their vote under duress. For many of those 479,000 who voted for Poland the vote was an act of self-abnegation and great moral courage.

The plebiscite in East Prussia was carried out at a very critical moment—July 1920—when the Red army stood at the gates of Warsaw. The population stricken with terror voted under the threat of imminent danger. Fear is sometimes the worst adviser. Before Poland, engaged in deadly struggle, won the decisive battle on the Vistula, the vote was cast. That part of East Prussia was safe for Germany, as a springboard for a future invasion of Poland.

SOUND POLISH VOICES

Contradicted by history and by factual evidence, the gentleman from Tennessee patiently pursued his search for acts or declarations which might help to invalidate the present frontier on the Oder-Neisse line. In this laborious pursuit, he was however ill-advised to quote the historic protest of the Polish Government in exile against the decisions of the Yalta Conference. That government, headed by the veteran Socialist leader Tomasz Arciszewski, in 1944 lodged a solemn protest against the seizure by Russia of the eastern Provinces of Poland and against the subjection of the whole country to an ill-disguised Soviet domination. In this protest, which was intended as an appeal to the conscience of the Free World, there is not a single word about the present Western frontiers of Poland. In no circumstances could this declaration of the Polish Government be made to serve the purposes of those who are trying to impugn these frontiers.

The gentleman from Tennessee was no better advised in quoting an opinion, falsely attributed to General Anders, the gallant Polish military leader. It appears that the general most emphatically denies having expressed such views. In a letter to Congressman REECE, which has since been made public, General Anders stated:

To enforce your point of view you quoted an opinion which was falsely described as the text of an interview which I allegedly gave on December 14, 1946. This opinion ascribed to me was, it is true, published at that date in Die Tat. It was completely untrue and the editors of Die Tat were immediately informed of the fact, while the Polish Press in the free world at once published my official denial. For instance the Polish dailies in London: Dziennik Polski, Dziennik Zolnierza, and Slowo Polskie on January 1, 1947, gave the statement on the utter falsity of this alleged interview. The same was printed by the weekly Orzel Bialy at that time.

Moreover, the editor of Die Tat in a letter dated as recently as July 6, 1955, has expressed his regret for the incident.

General Anders is very outspoken on the subject of the present Polish-German frontier. He says in his letter:

For my part, during all these years, in public appearances, radio speeches, and press publications I have repeatedly emphasized my conviction of the intrinsic justice and inviolability of the present Polish western frontiers.

LOOKING FORWARD

There is not much, indeed, I would wish to add. To my mind the position is clear. Poles in Poland, and Poles living in the Free World speak with one voice. They do not admit the possibility of a peaceful revision of the present western frontiers. And after all their ordeals and tribulations they will not be deluded by the alluring words we have heard here from the honorable gentleman.

Mr. REECE said:

The argument is sometimes advanced that the newly settled Poles * * * have struck roots in the German provinces and can no longer just be turned out. Of course, there has never been any suggestion of that kind by any group of German expellees.

I believe that the Poles understand the meaning of these words. Since the overwhelming majority of German refugees have settled for good within the limits of the Federal German Republic, there are relatively few Germans who would like to return to the former eastern Provinces of the Reich. The hard labor of the millions of Poles who are living and toiling there would be badly needed if German revisionists had their way. Thus, the new cloak of noble humanitarianism—"stay, where you are"—covers the old German expansion, eager to conquer both land and people.

I agree with the gentleman from Tennessee that the present situation is fraught with dangers. The very fact that the Soviet Union, alone among the big powers, did recognize the present western frontiers of Poland is bound to increase Poland's dependence on Russia. If the Western Powers would join in an explicit recognition of that frontier, they would greatly assist the Polish nation, anxious to secure genuine independence and would earn the deep gratitude of many peoples behind the Iron Curtain.

I would wish to strike a note of warning. It is true that words cannot shift frontiers. But careless talk here might only nourish dangerous illusions in Germany. It could embolden the extremists among the Germans and distil the heady spirit of German nationalism which has cost the world so much.

Let us not try to undermine a territorial settlement which has come to stay. Let us not discourage millions of people who are deeply attached to it. They are our friends, as they still believe in freedom and democracy. Driven to despair by a lack of understanding on our part, they could fall victims of bitter disillusionment and that vital part of the old Continent of Europe would be lost forever.

Let us face the future with courage and imagination. One day the waves of the Soviet flood will recede to the East. A new pattern of things will emerge in central-eastern Europe. Let us hope it may bring a better and happier world, based on the foundation of four freedoms: freedom of expression, freedom of belief, freedom from want, and freedom from fear.

SENATE

FRIDAY, AUGUST 16, 1957

The Senate met at 11 o'clock a. m.

Rev. W. Louis Quinn, assistant pastor, St. Matthew's Cathedral, Washington, D. C., offered the following prayer:

We ask Thee, Almighty God, so to enlighten and move the minds and hearts of those who deliberate here today that the good of all our fellow citizens will be the result.

May all speak justly, yet charitably; with courage of conviction, yet with a readiness to be informed; always mindful of the tremendous responsibility that is theirs, and always worthy of the trust that has been given them.

During these troublesome and difficult times, let this country of ours shine forth to all nations not only as a beacon of hope but as an example of the peace and harmony that exist when the rights Thou hast given to every individual are acknowledged and respected.

May Thy blessing be with us always. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the Journal of the proceedings of Thursday, August 15, 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. Ratchford, one of his secretaries.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills in which it requested the concurrence of the Senate:

H. R. 4609. An act to further amend the act entitled "An act to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes," approved September 5, 1950, as amended; and

H. R. 9302. An act making appropriations for mutual security for the fiscal year ending June 30, 1958, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 4609. An act to further amend the act entitled "An act to authorize the conveyance of a portion of the United States military reservation at Fort Schuyler, N. Y., to the State of New York for use as a maritime school, and for other purposes," approved September 5, 1950, as amended; to the Committee on Armed Services.

H. R. 9302. An act making appropriations for mutual security for the fiscal year ending June 30, 1958, and for other purposes; to the Committee on Appropriations.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSTON of South Carolina, and by unanimous consent, the subcommittee of the Committee on Post Office and Civil Service dealing with the postal rate bill was authorized to meet this afternoon during the session of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements made in that connection be limited to 3 minutes.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON BEAR RIVER COMPACT

A letter from the representative of the United States Bear River compact negotiations, Salt Lake City, Utah, transmitting, pursuant to law, his report and recommendations relating to the Bear River compact, Idaho, Utah, and Wyoming (with accompanying papers); to the Committee on Interior and Insular Affairs.

PERMISSION FOR ILLUSTRATIONS AND FILMS OF UNITED STATES AND FOREIGN OBLIGATIONS AND SECURITIES UNDER CERTAIN CIRCUMSTANCES

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to permit illustrations and films of United States and foreign obligations and securities under certain circumstances, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

REFUNDS BY VETERANS' ADMINISTRATION OF CERTAIN AMOUNTS COLLECTED FROM FORMER SERVICEMEN

A letter from the Administrator, Veterans' Administration, Washington, D. C., transmitting a draft of proposed legislation to authorize refunds by the Veterans' Administration of amounts collected from former servicemen by the Government pursuant to guaranty of life insurance premiums under the original Soldiers' and Sailors' Civil Relief Act of 1940 (with an accompanying paper); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

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

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

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution adopted by the State Council of North Carolina, Junior Order United American Mechanics, at Rocky Mount, N. C., favoring the enactment of the joint resolution (H. J. Res. 107) to exempt clubs and organizations from filing form 990; to the Committee on Finance.

A resolution adopted by Local Union 35, United Brotherhood of Carpenters and Joiners of America, San Rafael, Calif., relating to a ban on nuclear testing throughout the world; to the Committee on Foreign Relations.

A resolution adopted by the State Council of North Carolina, Junior Order United American Mechanics, at Rocky Mount, N. C., relating to the admission into the United States of Hungarian refugees; to the Committee on the Judiciary.

RESOLUTION OF CITY COUNCIL OF SOUTH ST. PAUL, MINN.

Mr. HUMPHREY. Mr. President, I have just received a resolution adopted by the City Council of South St. Paul, Minn., expressing their opposition to the Harris-O'Hara natural gas bill.

I present the resolution, for appropriate reference, and ask unanimous consent that it be printed in the RECORD.

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

Moved, That the council go on record as opposed to the passage of the Harris-O'Hara bill regarding the proposed increase in gas rates, and Senators THYE and HUMPHREY and Representative O'HARA be so notified.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 2722. A bill to amend the laws relating to the endorsement of masters on vessel documents and to provide certain additional penalties for failure to exhibit vessel documents or other papers when required by enforcement officers (Rept. No. 990); and

H. J. Res. 370. Joint resolution to extend the time limit for the Secretary of Commerce to sell certain war-built vessels for utilization on essential trade routes 3 and 4 (Rept. No. 991).

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

S. 2720. A bill to amend the Fish and Wildlife Act of 1956 in order to increase the authorization for the fisheries loan fund established under such act (Rept. No. 982).

By Mr. BIBLE, from the Committee on the District of Columbia, without amendment:

H. R. 7825. An act to exempt from taxation certain property of the B'nai B'rith Henry Monsky Foundation, in the District of Columbia (Rept. No. 984).

By Mr. BIBLE, from the Committee on the District of Columbia, with amendments:

H. R. 8256. An act to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to exclude social-security benefits and to provide additional exemptions for age and blindness, and to exempt from personal property taxation in the District of Columbia boats used solely for pleasure purposes, and for other purposes (Rept. No. 985); and

H. Con. Res. 172. Concurrent resolution to establish a joint Congressional committee to investigate matters pertaining to the growth and expansion of the District of Columbia and its metropolitan area (Rept. No. 983); to the Committee on Rules and Administration.

By Mr. CLARK, from the Committee on the District of Columbia, with amendments:

S. 2438. A bill to amend the District of Columbia Business Corporation Act (Rept. No. 986).

By Mr. BEALL, from the Committee on the District of Columbia, without amendment:

H. R. 7467. An act to amend the Act of March 3, 1901, with respect to the citizenship and residence qualifications of the directors or trustees of certain companies in the District of Columbia (Rept. No. 988).

By Mr. HILL, from the Committee on Labor and Public Welfare, without amendment:

H. R. 6456. An act to amend section 304 (d) of the Federal Food, Drug, and Cosmetic Act, with respect to the disposition of certain imported articles which have been seized and condemned (Rept. No. 993); and

H. R. 9023. An act 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 (Rept. No. 992).

By Mr. HILL, from the Committee on Labor and Public Welfare, with an amendment:

S. 395. A bill to encourage expansion of teaching and research in the education of mentally retarded children through grants to institutions of higher learning and to State educational agencies (Rept. No. 995); and

S. 2254. A bill to eliminate the time limitation on certain grants under section 4 (a) of the Vocational Rehabilitation Act (Rept. No. 994).

By Mr. KENNEDY, from the Committee on Labor and Public Welfare, with amendments:

H. R. 7458. An act to amend the Fair Labor Standards Act of 1938, as amended, to restrict its application in certain overseas areas, and for other purposes (Rept. No. 987).

By Mr. THURMOND, from the Committee on Labor and Public Welfare, without amendment:

H. R. 8076. An act to provide for the termination of the Veterans' Education Appeals Board established to review certain determinations and actions of the Administrator of Veterans' Affairs in connection with education and training for World War II veterans (Rept. No. 996).

By Mr. THURMOND, from the Committee on Labor and Public Welfare, with an amendment:

S. 166. A bill to amend the laws granting education and training benefits to certain veterans so as to extend, with respect to certain individuals, the period during which such benefits may be offered (Rept. No. 1009); and

S. 1698. A bill to amend the Veterans' Readjustment Assistance Act of 1952, to extend the time for filing claims for mustering-out payments (Rept. No. 1010).

By Mr. THURMOND, from the Committee on Labor and Public Welfare, with amendments:

S. 2467. A bill to authorize the Administrator of Veterans' Affairs to negotiate a new contract with the city of Sturgis, S. Dak., with respect to the use of the sewage facilities of such city by the Fort Meade Veterans' Hospital, Sturgis, S. Dak. (Rept. No. 1012); and

H. R. 2741. An act to authorize and direct the Administrator of Veterans' Affairs to convey certain lands of the United States to the Hermann Hospital Estate, Houston, Tex. (Rept. No. 1011).

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

H. R. 8892. An act to amend the Internal Revenue Code of 1954 to extend the time within which a minister may elect coverage as a self-employed individual for social-security purposes, and for other purposes (Rept. No. 989).

By Mr. RUSSELL, from the Committee on Armed Services, without amendment:

S. 655. A bill for the relief of Brig. Gen. Chester W. Goble (Rept. No. 997).

By Mr. RUSSELL, from the Committee on Armed Services, with an amendment:

S. 1732. A bill to readjust equitably the retirement benefits of certain individuals on the emergency officers' retired list, and for other purposes (Rept. No. 1005); and

H. R. 6952. An act to authorize the transfer of naval vessels to friendly foreign countries (Rept. No. 1008).

By Mr. RUSSELL, from the Committee on Armed Services, with amendments:

S. 2305. A bill to define service as a member of the Women's Army Auxiliary Corps as active service under certain conditions (Rept. No. 1006); and

S. J. Res. 96. Joint resolution to establish the U. S. S. *Enterprise* (CV-6) in the Nation's Capital as a national shrine (Rept. No. 1007).

By Mr. SALTONSTALL, from the Committee on Armed Services, without amendment:

H. R. 8531. An act to provide an interim system for appointment of cadets to the United States Air Force Academy for an additional period of 4 years (Rept. No. 1003); and

H. R. 9188. An act to amend the act to authorize the Secretary of the Navy to transfer to the Commonwealth of Massachusetts certain lands and improvements comprising the Castle Island Terminal Facility at South Boston in exchange for certain other lands (Rept. No. 1004).

By Mr. STENNIS, from the Committee on Armed Services, without amendment:

H. R. 2816. An act to provide for the conveyance of Esler Field, La., to the parish of Rapides in the State of Louisiana, and for other purposes (Rept. No. 999); and

H. R. 3246. An act to authorize the exchange of lands at the United States Naval Station, San Juan, Puerto Rico, between the Commonwealth of Puerto Rico and the United States of America (Rept. No. 1001).

By Mr. JACKSON, from the Committee on Armed Services, without amendment:

H. R. 3025. An act to authorize the Secretary of the Navy to surrender and convey to the city of New York certain rights of access in and to Marshall, John, and Little Streets adjacent to the New York Naval Shipyard, Brooklyn, N. Y., and for other purposes (Rept. No. 1000); and

H. R. 7914. An act to amend the Career Compensation Act of 1949 to provide incentive pay for human test subjects (Rept. No. 1002).

By Mr. CASE of South Dakota, from the Committee on Armed Services, without amendment:

H. R. 787. An act to authorize the exchange of certain lands between the United States of America and the State of California (Rept. No. 998).

BILLS INTRODUCED

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

By Mr. POTTER:

S. 2804. A bill for the relief of John Frederick Johnson; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2805. A bill to facilitate the conduct of fishing operations in the Territory of Alaska, to promote the conservation of fishery resources thereof, and for other purposes; to the Committee on Interstate and Foreign Commerce.

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

By Mr. ERVIN:

S. 2806. A bill for the relief of Maria Temel Cooper; and

S. 2807. A bill for the relief of Johanna Dippold; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2808. A bill for the relief of Anna Maria Revaro and Mirella Favaron; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 2809. A bill to establish the salary and require Senate confirmation of the Administrative Assistant Secretary of the Interior; to the Committee on Post Office and Civil Service.

CONSERVATION OF ALASKAN FISHERY RESOURCES

Mr. MAGNUSON. Mr. President, I introduce, for appropriate reference, a bill to facilitate the conduct of fishing operations in the Territory of Alaska, to promote the conservation of fishery resources thereof, and for other purposes. I ask unanimous consent that an explanatory statement of the bill may be printed in the RECORD.

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

The bill (S. 2805) to facilitate the conduct of fishing operations in the Territory of Alaska, to promote the conservation of fishery resources thereof, and for other purposes, introduced by Mr. MAGNUSON, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The explanatory statement presented by Mr. MAGNUSON is as follows:

STATEMENT ON ALASKA FISHERIES BILL

On June 20, 1957, I introduced, at the request of the Department of the Interior, S. 2349, to facilitate the conduct of fishing operations in the Territory of Alaska and to promote the conservation of fishery resources thereof. As the session developed, it appeared that there would not be time for the necessary consideration of the various points involved before the Congress recessed.

Section (a) of that bill was of special urgency, in that it dealt with the matter of determining how much of the Alaska salmon runs should be permitted to escape to the spawning grounds each year, a question which will be the subject of discussion at the next meeting of the North Pacific Fishery Commission, scheduled for November. Accordingly that section of the bill was approved separately by the Committee on Interstate and Foreign Commerce, and was reported to the Senate on August 14, and is now on the Senate Calendar.

So that there may be no interruption to the normal progress and consideration of the remaining sections of the bill, I am introducing a new bill that includes those sections. They are all-important to the future of Alaskan fisheries, and to the economy of that Territory, which is so dependent upon a prosperous fishing industry.

In brief, this bill would revise slightly existing law to authorize the Secretary of the Interior to determine a particular period or periods of time each week, totaling not less than 36 hours, as closed periods for the taking of salmon except by certain prescribed methods; would prohibit the taking of salmon for commercial purposes by certain methods presently in use; would prohibit the possession or disposal of illegally taken fish, and would establish certain penalties for violations.

A final section of the bill would make it unlawful to fish for, take, or kill any salmon, for sale or other commercial purposes, in any of the creeks, streams, or rivers of Alaska, or within 500 yards of the mouth of such creeks, etc., except the Karluk, Yukon, Ugashik, and Kuskokwim Rivers.

PRODUCTION OF STATEMENTS AND REPORTS OF WITNESSES—AMENDMENTS

Mr. CLARK submitted amendments, in the nature of a substitute, intended to be proposed by him to the bill (S. 2377) to amend chapter 223, title 18, United States Code, to provide for the production of statements and reports of witnesses, which were ordered to lie on the table and to be printed.

Mr. JAVITS submitted an amendment, in the nature of a substitute, intended to be proposed by Mr. O'MAHONEY to Senate bill 2377, supra, which was ordered to lie on the table and to be printed.

AMENDMENT OF TITLE II OF SOCIAL SECURITY ACT, RELATING TO SURVIVORS OF CERTAIN MEMBERS OF ARMED FORCES—AMENDMENT

Mr. WILLIAMS submitted an amendment, intended to be proposed by him, to the bill (H. R. 1944) to amend title II

of the Social Security Act so as to make inapplicable, in the case of the survivors of certain members of the Armed Forces, the provisions which presently prevent the payment of benefits to aliens who are outside the United States, which was ordered to lie on the table and to be printed.

AMENDMENT OF TITLE II OF SOCIAL SECURITY ACT—AMENDMENT

Mr. POTTER submitted an amendment, intended to be proposed by him, to the bill (H. R. 8755) 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, which was ordered to lie on the table and to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENTS TO SUPPLEMENTAL APPROPRIATION BILL

Mr. HAYDEN submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 9131) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, the following amendments, namely:

On page 2, after line 7, insert:

"AGRICULTURAL CONSERVATION PROGRAM SERVICE

"Emergency conservation measures

"For an additional amount for 'Emergency conservation measures,' to be used for the same purposes and subject to the same conditions as the funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, $25,000,000."

On page 4, after line 18, insert:

"INDEPENDENT AGENCIES

"Advisory Committee on Weather Control

"To complete its final report to the President and the Congress as provided by law, $175,000: *Provided, however,* That the committee shall complete its report and terminate its activities by December 31, 1957, and turn its records over to the National Science Foundation, together with any unexpended balances."

On page 12, after line 12, insert:

"SEC. 312. The Secretary of Defense is hereby authorized to transfer to the 'Air Force industrial fund' not to exceed $100,000,000 from appropriations to the Department of Defense available for obligation during the fiscal year 1958.

On page 12, after line 13, insert:

"SEC. 313. Section 612 of the Department of Defense Appropriation Act of 1958, Public Law 117, approved August 2, 1957, is amended by deleting the figures '$41,000,000' in the first line and inserting in lieu thereof '$45,000,000.' "

On page 12, after line 13, insert:

"SEC. 314. The General Counsel of the Department of Defense shall be paid at the rate prescribed by Reorganization Plan No. 6 approved June 30, 1953 (67 Stat. 638)."

On page 15, after line 18, insert:

"CONSTRUCTION OF POWER SYSTEMS, RYUKYU ISLANDS

"For necessary expenses of construction, installation, and equipment of electric power systems in the Ryukyu Islands, which shall be operated by the Ryukyu Electric Power Corporation, an instrumentality of the United States Civil Administration of the Ryukyu Islands; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of $50 a day for individuals; hire of passenger motor vehicles and hire of aircraft; $1,513,000 to remain available until expended, without regard to sections 355 and 3734 of the Revised Statutes, as amended, and title 10, United States Code, section 4774."

On page 18, after line 21, insert:

"BUREAU OF LAND MANAGEMENT

"Construction

"Not to exceed $1,423 of the funds available to the Bureau of Land Management from definite annual appropriations shall be available for reimbursing the city of Monticello, Utah, for the cost of improvements to streets and appurtenant facilities adjoining property under the jurisdiction of the Bureau of Land Management."

On page 20, after line 14, insert:

"DEPARTMENT OF AGRICULTURE

"Forest Service

"Forest land management: During the current fiscal year not to exceed $50,000 of the funds appropriated under this heading shall be available for the acquisition of sites authorized by the act of March 3, 1925, as amended (16 U. S. C. 555), without regard to any other limitation on the amount available for this purpose."

On page 21, after line 4, insert:

"COMMUNICABLE DISEASES

"Communicable diseases: For an additional amount for 'Communicable diseases,' for emergency measures necessary for the further prevention and control of a threatened or actual epidemic of influenza, $800,000: *Provided,* That $2 million may be transferred from funds appropriated for disaster relief pursuant to the act of September 30, 1950, chapter 1125, section 8 (64 Stat. 1109), for the purposes specified in this paragraph, including the purchase, without regard to section 3709 of the Revised Statutes, and distribution of supplies and materials for prevention and control and grants to States of money and medical supplies and materials, upon a finding by the Secretary of Health, Education, and Welfare, upon the recommendation of the Surgeon General and the National Advisory Health Council, that a threatened or actual epidemic of influenza constitutes an actual or potential health emergency of national significance."

On page 21, after line 4, insert:

"HOSPITALS AND MEDICAL CARE

"The limitation under this head contained in the Third Supplemental Appropriation Act, 1957, for payments for medical care of dependents and retired personnel under the Dependents' Medical Care Act is increased by such sum or sums as may be necessary for the purposes."

On page 22, after line 7, insert:

"GENERAL PROVISIONS

"Section 210 of the Department of Health, Education, and Welfare Appropriation Act, 1958 (71 Stat. 224), is amended by striking out the period at the end of such section and inserting in lieu thereof a colon and the following: '*Provided,* That this section shall not be applicable to assistance and consultation rendered by that Department in connection with the planning of a building for the use of the Food and Drug Administration at Washington, District of Columbia.' "

On page 23, after line 16, insert:

"CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

"Notwithstanding the provisions of section 2 of Public Law 689, 84th Congress, an additional contribution of $5,696 to the North Atlantic Treaty Organization Parliamentary Conference is authorized out of founds previously appropriated for 'Contributions to international organizations'."

On page 24, line 9, after "$3,525,000" insert: ": *Provided,* That this amount shall be used for purchase of foreign currencies from the special account for the informational media guaranty program, at rates of exchange determined by the Treasury Department, but in no event at a higher rate per unit than the Free World market value of the currency purchased, and the amounts of any such purchases shall be covered into miscellaneous receipts of the Treasury."

Page 26, after line 19, insert:

"DEPARTMENT OF PUBLIC HEALTH

"Department of Public Health, amounts equal to the cost of medical services rendered recipients of public assistance, without charge, may from time to time be transferred to the Department of Public Welfare for deposit into a fund, hereby established, for the purpose of matching Federal grants under the Social Security Act for payment for medical services as provided under that act, payment of related administrative expense, and return of any surplus to the general fund of the District of Columbia."

Mr. HAYDEN also submitted amendments, intended to be proposed by him to House bill 9131, making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, which were ordered to lie on the table and to be printed.

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

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary.

Peter Mills, of Maine, to be United States attorney, for the district of Maine, 4-year term—reappointment.

Harry W. Pinkham, of Maine, to be United States marshal, for the district of Maine, 4-year term—reappointment.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, August 23, 1957, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

PARTISAN ATTACKS ON FOREIGN POLICY

Mr. MORTON. Mr. President, last January, during the Middle East crisis, our colleague from Arkansas [Mr. FULBRIGHT] and some of his fellow Democrats were sure that the President and Secretary Dulles had bungled our foreign policy.

Abuse and doubts were heaped on the shoulders of those charged with making

our foreign policy. In the middle of an international crisis, Secretary Dulles was called unfit for his job. Administration critics even went so far as to demand his resignation.

They did not spare the President, even though his prestige was essential in handling the crisis.

Democratic politics had a field day, and bipartisan cooperation as thrown out of the window. The opposition got big headlines in the daily press, as they roared like lions.

I have in my hand a copy of the front page of the Washington Post and Times Herald of January 28. It says in 2-inch, 4 column headlines:

THREE SENATORS DEMAND DULLES POLICY QUIZ

Day after day there were anguished cries demanding an investigation. In demanding this investigation, these Democrats insisted that the President's urgent request for Senate action be held up until the probe was completed. Over this thinly disguised political haymaking, cooler minds prevailed. While an investigation was forced upon the Senate, fortunately, the historic Middle Eastern doctrine was enacted in the nick of time.

Now we are in the month of August. More than 6 months have elapsed. The much publicized investigation has been going on during these months.

What has been the result?

I have in my hand a clipping from the Washington Post and Times Herald of July 31. In very modest sized print, it announces the quiet death of the Fulbright subcommittee to investigate our Middle East policy.

The relative sizes of these January and July newspaper items tell quite a story. One is the roar of the lion—the other, the squeak of the mouse.

In January, the Senator from Arkansas [Mr. FULBRIGHT] charged that our foreign policy was in the hands of incompetents, that America had alienated its two closest allies, that Israel was being sacrificed, that the Russians were gaining great victories, that doom and disaster were about to descend upon us.

Six months later we ask: Where is the doom? Where is the disaster? They are both back in January, because the Senator from Arkansas now says that his investigation will serve no useful purpose.

On both sides of the center aisle there are sincere men who deplore making our foreign policy a battlefield for partisan politics. They believe that hit-and-run attacks on our foreign policy serve only America's enemies. They are motivated by the high ideal that party politics should end at the water's edge—not begin there. Of course, no Senator would oppose a valid inquiry into the state of our foreign policy.

Mr. President, I have always supported the idea of legitimate Congressional investigations. Without them, the Congress cannot legislate.

Back in January, when the Senator from Arkansas said he had good reason to believe that our Middle East policy was in a sad state, I was somewhat astounded; but I had to credit him with the purest of motives. More than that, if something had been wrong with our foreign policy, I was as anxious as he that we should find the trouble spots.

The Washington Post and Times Herald of July 31 quoted the distinguished Senator from Arkansas as having said that his group "has concluded that no useful purpose would be served at this time by continuation of its examination of massive classified documentation."

What was the basis for this statement? What is considered as useful purpose?

Six months ago, the opposition thought that many useful purposes would be served by an investigation of our Middle East policy. Six months later, we find a distinct shortage of useful purposes.

Those of us who make no pretense of expertness in the field of foreign policy welcomed the proposed investigation at its face value. Democrats and Republicans alike were anxious that we should have no more tragedies like Pearl Harbor, Yalta, and Alger Hiss.

Now we are told the subcommittee will stop its work. It has been given too many secret documents by the administration.

How many times have we heard from Members on the other side of the aisle criticism about the administration's policy on Government documents?

How many times have we been told that this Republican administration was seeking to hide its mistakes under the cloak of secrecy?

In this case, the complaint is just the opposite. The new reason for Democratic failure is that they have too much cooperation from the Executive.

I find it hard to believe that this subcommittee, unlike others, is incapable of basing its work on secret documents. Other committees of the Senate and House work under similar restrictions. This does not prevent them from doing their assigned jobs.

For instance, the Appropriations Committee often bases its mutual-security reports on secret testimony and documents. That committee is not prevented, because of the nature of some of its information, from keeping the Senate generally informed.

An investigation which was started into an unknown situation, on unknown motives, is now being stopped for unknown reasons. I had hoped the Senator from Arkansas would shed light on some of these unknowns.

We are entitled to know whether there were any American policy errors that contributed to the crisis. Was not this the purpose for which the committee was created? Mr. President, where is the committee's report?

The Senator from Arkansas says in his unassuming way that although the investigation has proved useless, nevertheless he will tell us what he believes is wrong.

Mr. President, are we reduced to the cult of the individual, as opposed to sound committee work?

Mr. AIKEN. Mr. President, will the Senator from Kentucky yield?

Mr. MORTON. I yield.

Mr. AIKEN. I may say to the Senator from Kentucky that the lionlike investigation referred to died the day it was born, when the majority of the Foreign Relations Committee decided that the investigation should not be from 1953 on, but should go back to 1946, into the previous administration. Then the lion whimpered, rolled over on its back, gave a few gasps, and perished on the spot. However, it was not thought fitting to publish his obituary until 6 months had elapsed.

Mr. MORTON. I thank the Senator from Vermont.

NEGRO PUBLISHER EXPOSES CIVIL-RIGHTS FRAUD

Mr. TALMADGE. Mr. President, in the August 25, 1957, issue of the Telegram, an independent newspaper published at Newark, N. J., and circulated nationwide among Negro citizens, its owner and publisher, Davis Lee, devotes his lead article to an exposé of the political fraud which is inherent in the so-called civil-rights issue.

Mr. Lee, who is a courageous newsman, and is one of the Nation's most outstanding Negro journalists, cites facts and figures to prove his assertion that "this civil-rights issue is a smokescreen and that the Negro is being used." He ably points out that, for political advantage, the Eisenhower administration has given the Negro "civil rights in exchange for jobs, bread, and shelter."

The article further gives specific examples of what I told the Senate on July 12, in my speech in opposition to H. R. 6127, when I asserted:

> Georgia is giving her people the real and important civil rights—not table pounding, empty words, and false, unresulting hopes.

The Telegram's presentation serves to place this false issue in its proper perspective. In order that the Senate may have the benefit of reading its conclusions, I ask unanimous consent, Mr. President, that the article be printed in the body of the RECORD.

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

[From the Newark (N. J.) Telegram of August 25, 1957]

THE PUBLIC AND THE NEGRO HAVE BEEN MISLED OVER CIVIL RIGHTS

(By Davis Lee, publisher)

For weeks now the attention of the entire world has been focused on our Nation's Capitol and the debate over voting and civil rights. One not familiar with the facts would naturally conclude that Negroes in the South are not permitted to vote. Of course, this is not true.

The Eisenhower administration has gone all out to recapture the Negro vote for the Republican Party. Negro leaders have placed civil rights and integration ahead of job opportunities, and the masses have been sold down the river by false and misleading propaganda.

Truth of the matter is, while the Eisenhower administration, through the Supreme Court and other Federal agencies, has broken down many racial barriers, it has given the Negro civil rights in exchange for jobs, bread and shelter.

First, the administration has attacked the South on the Negro being denied the right to vote. This charge is false, but no one has produced proof of its falsity, and the whole world believes the charges.

Following are a few figures on voting in the key States:

	Negro population	Negro voters
Alabama	979,615	148,000
California	462,172	153,000
Connecticut	53,472	9,500
Delaware	43,598	10,000
Florida	603,101	156,000
Georgia	1,062,762	196,000
Illinois	645,980	180,000
Louisiana	882,428	189,000
Maryland	385,972	130,000
Mississippi	986,494	37,000
Massachusetts	73,171	10,350
Michigan	442,296	140,000
Ohio	513,072	162,000
North Carolina	1,047,353	230,000
New Jersey	318,565	62,000
Pennsylvania	638,485	190,000
Indiana	174,168	50,000
Virginia	734,211	178,000
Wisconsin	28,182	8,500
New York	918,191	226,000

We have selected the key States in which the Negro vote is regarded as important. Assembling these figures was a gigantic undertaking in that many States do not register by race, and this includes the State of Georgia. But these figures support our contention that this civil-rights issue is a smokescreen and that the Negro is being used.

Because of this civil rights-integration issue, thousands of Negroes have lost jobs, homes, farms, and an opportunity to make a living.

The Eisenhower administration produced a crop program in agriculture that has just ruined the Negro farmer in the South. In 1956 tobacco acreage was reduced by 12 percent, and 1957 by 20 percent. The Negro was the hardest hit. This also applies to peanuts and cotton.

What can a Negro farmer in the South do with civil rights when he has been stripped of food, clothing, and shelter by his Government? This same administration came forward with a soil-bank program that threw thousands of Negroes out of jobs and homes.

It is not mean southern white people or race prejudice that the Negro suffers under, it is an administration in Washington that is more interested in opening up markets for foreign imports than by protecting the markets for our own products.

The southern Negro has paid and is paying a tremendous price for world peace. Our Government is trying to win friends abroad by lowering tariff and import restrictions; and to create a market for the goods of these nations, restrictions have been forced upon us, plus unfair competition.

The public has been grossly misled by agitators and politicians on this race issue. From the figures here it is easy to see how it has been misled on the voting issue. The Negro just has not been educated to the value of the ballot.

This administration enacted a dollar an hour minimum. In these days of high prices, a dollar an hour is hardly adequate, but it was too much of an increase at once. Hundreds of businesses could not absorb a 25 percent increase in a slumping market, and they went out of business.

Fifty sawmills in Georgia, 25 in South Carolina, etc. Who lost? Thousands of Negroes lost; they were thrown out of jobs. The South operates a lot of veneer mills. This Government has permitted the Japanese to compete in our markets, as the result our mills are forced to close. Negroes are the greatest losers in this situation. This also applies to the textile industry; Japanese textile products are flooding our markets.

There are 10 million Negroes in the South and they have made more progress than the Negroes in other sections of the Nation or the world. This progress has been made possible by the aid of white friends. There is not a white business of any consequence in the South that does not employ Negroes. This is not true in other sections.

Northern plants are springing up all over the South because of ideal weather, plenty of workers and no union trouble, but these northerners don't employ Negroes. At Thomasville, N. C., a Mr. English built an underwear factory in which he employs hundreds of Negro women, in an effort to show that Negroes can do the job as well as other workers.

These northerners who are fighting for civil rights will not give the Negro a job, or make it possible for him to buy a home with payments that he can afford.

At Macon, Ga., a Mr. Fickling built a Negro housing development and is selling the houses for $100 down. At Mebane, N. C., another white man built Negro homes and permitted them to move in with $25 down. No northern white man would give a Negro such consideration. Yes, they will give him civil rights, but not what it takes to enjoy it.

This whole race issue in this Nations needs a thorough going into by an impartial commission of competent public-spirited men and women whose findings and recommendations will end once and for all this agitation by both Negro and white extremists.

Everyone needs to respect the dignity and worth of each individual and his right as a citizen, and his appraisal should not take into account the race, color, or nationality of the individual.

The Republicans can improve the Negro's lot in the South, and in the Nation, by giving him job opportunities which will guarantee economic security. Once he gets this, he will have no difficulty in obtaining educational and political advantages. Don't promise him civil rights and full access to the ballot, and flood the Nation with Hungarian refugees to take his jobs.

PROMOTION OF SENATOR MARTIN OF PENNSYLVANIA TO LIEUTENANT GENERAL IN THE PENNSYLVANIA NATIONAL GUARD

Mr. KNOWLAND. Mr. President, on Saturday, last, August 10, at Indiantown Gap, Pa., the 28th National Guard Division, in summer training, marched in review at the annual Pennsylvania Governors' Day celebration. As this famed division of World War II marched by the reviewing stand, the Governor of Pennsylvania, Mr. Leader, pinned the three starts of a lieutenant general on the shoulders of our distinguished colleague, the senior Senator from Pennsylvania [Mr. MARTIN]. The senior Senator from Pennsylvania is probably one of the few men in the Congress, if not the only one, who has served in four wars. His great military career began when he enlisted in 1898 as a private in Company K, 10th Infantry, Pennsylvania Volunteers, which saw service in the Philippine Insurrection.

Lieutenant General MARTIN also saw service in the Mexican expeditionary campaign; and by the time World War I occurred, he had risen to the rank of colonel, in command of an infantry regiment. In World War II, he trained the 28th Division—the division which marched in review when he became a three-star general in the Pennsylvania National Guard.

Pennsylvania's senior Senator holds many high decorations—among them, the Distinguished Service Cross with oak-leaf cluster, and the Purple Heart with oak-leaf cluster.

Mr. President, I salute the great senior Senator from Pennsylvania for his distinguished public and military service to this country.

Mr. SMITH of New Jersey. Mr. President, I am happy to identify myself with the remarks made by the minority leader with regard to the distinguished senior Senator from Pennsylvania. The Senator from Pennsylvania has deserved the great honor which has been bestowed upon him, and I am glad to join in the remarks of the minority leader. Mrs. Smith and I join in extending our warmest congratulations to our valued and beloved friends, Senator and Mrs. MARTIN.

Mr. MARTIN of Pennsylvania. Mr. President, I desire to express my very great appreciation of the very generous remarks the Senator from California has made relative to my service. I should like to say to my colleagues that I have enjoyed marvelous associations in different ways during my lifetime, but the finest association I have ever had in my life is the association with the Members of the United States Senate on both sides of the aisle. We differ on many public questions, yet personally we sit around the committee tables and iron out many matters of vital importance to our Nation.

Mr. President, I thank my distinguished friend from California and my distinguished friend from New Jersey for their very kind remarks.

Mr. POTTER. Mr. President, I should like to associate myself with the comments made by the minority leader and by the Senator from New Jersey concerning our distinguished colleague from the State of Pennsylvania. It happens there is no man in the Senate who I am sure enjoys the respect of all of his colleagues to a greater degree than does the senior Senator from Pennsylvania. His military record is such that I know all Pennsylvanians, as well as all the people of the country, are proud of his service. He is known as a soldier's soldier. Whenever enlisted men have kind words to say about a commanding officer, they use that expression, and that is the type of commanding officer General MARTIN has been.

It happened to have been my good fortune to serve in a division that was really ED MARTIN's division, the old 28th Division. I feel it was a great honor to have served in that division. I know that the traditions of that famous organization are based upon the fine services our distinguished colleague from Pennsylvania has rendered to a great fighting outfit.

Mr. JAVITS. Mr. President, I, too, should like to associate myself with my colleagues in their statements about a fine man and a distinguished soldier. I wish to say that in the time I have served here, and even before I came to the Senate, I have been aware of the great personal affection which Senator MARTIN evokes from those who are in close touch with him. It is a characteristic which I think will leave its mark in the Senate.

Mr. HOLLAND. Mr. President, it is characteristic of the modesty of the distinguished senior Senator from Pennsylvania that, though I have seen him daily since his new honors came to him, I had no inkling of his new and high honor—his promotion to the rank of lieutenant general in the Pennsylvania National Guard until it was disclosed this morning by the statement of the distinguished minority leader.

The Senator and Mrs. MARTIN reside at the same apartment house where my wife and I live. We have frequently been coming back and forth from the Capitol together. Any other than a very modest person would certainly have shared with me the information as to the new honors conferred. I congratulate the Senator most warmly, and desire to comment that, in addition to other qualities which possibly have been mentioned, he is probably the most modest man in the Senate. I have never heard him mention the fact he received the Distinguished Service Cross on two occasions in the First World War. Many other distinctions have come to him which are very hard to learn about, unless one talks with someone other than General MARTIN himself.

Beginning with the days when, as a great Governor of the State of Pennsylvania, he entertained the National Governors' Conference at an unforgettable annual meeting in Hershey, Harrisburg, and Gettysburg until now, I have counted it a very great pleasure, honor, and privilege to be numbered among the group of his close friends. He put on a grand series of occasions for our governors' conference. The meeting was held in May 1944 at the very height of World War II, and I am sure there was no meeting of any kind held during the war that contributed more by way of inspiration to our fighting men around the world than did that Memorial Day observance at Gettysburg. Governors from the North and the South spoke—Governor Saltonstall, of Massachusetts, and Governor Broughton, of North Carolina, representing States which had many troops in that terrible conflict so many years ago, and their voices were carried over the air, by radio facilities, to our fighting men all over the world. They spoke comforting words about the unity that prevailed in our Nation, which was then engaged in the most difficult struggle in its existence to continue our way of life and the security of free peoples everywhere in the world.

From that occasion to this, my affection for Senator MARTIN has been deep, my respect has been wholehearted. I think that as a great Governor, as a great Senator, and as a very great and courageous soldier, ED MARTIN has made outstanding contributions to the welfare and to the security of his country.

Mr. President, I desire to add to what has been said by other Senators these few words of esteem, friendship, and complete confidence in ED MARTIN.

Mr. AIKEN. Mr. President, I wish to join in the remarks of Senators who have congratulated our colleague upon the honors bestowed upon him. ED MARTIN not only has been a great soldier; he was a great Governor; he has been a great legislator. Most of all, he is a loyal friend. I think he well deserves the honors which he has received; he has merited them in every respect.

Mr. MANSFIELD. Mr. President, I wish to join my colleagues in extending congratulations to General Martin on his latest promotion. He has had a glorious record as a soldier. As the distinguished minority leader has brought out, he is the only Member of either body of Congress who has served in four wars, and one of the few citizens of this country who has served in that number of wars. I wish to extend my congratulations to him for an honor well deserved.

Mr. KENNEDY. Mr. President, I should like to associate myself with the remarks of other Senators in congratulating the senior Senator from Pennsylvania for the distinguished record he has made in war and peace. It is a source of great joy to Members of the Senate who take pride in their association with him. We offer him our congratulations, and also congratulate ourselves for having the benefit of his services in this body.

Mr. HICKENLOOPER. Mr. President, I also wish to associate myself with what other colleagues have said on the floor of the Senate in congratulation to our beloved colleague, Senator MARTIN, upon whom has been bestowed the honor of a third star in the Pennsylvania National Guard.

He has had a distinguished and outstanding record. I know many of our troops who served in action overseas in World War II. I have heard his praises sung by many of our young men who served with him. He has had, indeed, a long and a distinguished career. He has had an outstanding career as a military man, as a businessman, and as a great public servant, who has risen step by step in the respect of his State and of his Nation.

Mrs. Hickenlooper and I wish to congratulate General and Mrs. Martin for this honor, and join with the thousands of his friends all over the country who will rejoice in this recognition.

Mr. THURMOND. Mr. President, I should like to take this opportunity to extend my congratulations to the senior Senator from Pennsylvania upon receiving his third star in the Pennsylvania National Guard.

I have known the able and distinguished Senator from Pennsylvania for a number of years. He made a great Governor of his State. He has made an outstanding and distinguished record in the Senate of the United States. He is a man of lofty character and high ideals, and exemplifies the highest principles of American manhood. He has served his State and his Nation on the battlefield and as Governor, as well as in the Halls of the United States Senate—in all places with distinction and honor.

It is a great pleasure for me to extend my heartiest congratulations to him upon this well-deserved promotion.

Mr. CLARK. Mr. President, I should like to add my congratulations and commendations to those of my colleagues in recognition of the great honor which has been conferred on my senior colleague from Pennsylvania. His promotion to the rank of lieutenant general marks the culmination of a distinguished career in public and in military life. It is justly deserved. I am happy he has received it.

I wish to add one personal note. Despite the fact that our political philosophies are about as far apart as it is possible for them to be as elected officials from the same State, the senior Senator from Pennsylvania has afforded me, since I arrived in this Chamber, every courtesy and every consideration, and has cooperated to the fullest extent in obtaining needed privileges and help for our Commonwealth. Without his guidance and assistance, I am sure I would have fallen even further behind in fulfilling my duties as the junior Senator from the Commonwealth of Pennsylvania.

I wish to congratulate the Senator as a friend, as well as a colleague.

Mr. NEUBERGER. Mr. President, I join with my colleagues in congratulating Governor Martin, as I have always called him, upon the deserved honor which he has received.

I should like to add that I have the privilege of serving on the Senate Committee on Public Works, on which committee the Senator from Pennsylvania is the ranking Republican member. I am sure I speak for every Senator who is a member of the Committee on Public Works when I say that all of us appreciate the characteristic courtesy and kindness which we always receive from the Senator from Pennsylvania.

I am not one of those Senators who always agree with the Senator from Pennsylvania in everything he advocates in the committee, but he is the kind of man who can disagree with others and can do so in a friendly manner, yet at the same time upholding his views.

I should also like to join in congratulating his lovely wife, Mrs. Martin, because I know she shares this great honor with him.

MUTUAL SECURITY PROGRAM

Mr. SMITH of New Jersey. Mr. President, those of us who have been studying our foreign policy closely for a number of years have come to believe that a mutual security program is the best possible investment for the safety of America and the peace of the world. We cannot help being shocked by what appears to be the thoughtless cut in the House appropriation for the program this year.

The President of the United States is probably one of the greatest military leaders of all time. He is more familiar with the situation in the world than any one of us is, or that of all of us collectively are. His views are supported by the Joint Chiefs of Staff who have the military responsibility for the safety of our country. His views are supported by the National Security Council, representing different angles of Government responsibility, all of whom are agreed on the seriousness of the situation.

The President, in a personal plea to the Members of the House, asked that the minimum figures reached by the joint conference of the House and Senate on the authorization bill be appro-

priated to meet the emergency that faces us.

It is my sincere hope that the Senate Appropriations Committee will be able to deal with this matter in a realistic way, realizing the responsibility we all have for the safety of our country.

In this connection, I ask unanimous consent to have printed in the body of the RECORD, at the conclusion of my remarks, the editorial which appeared in the New York Times this morning entitled "Investment in Freedom." In commenting on that editorial I emphasize the word "investment," because that is exactly what we are considering today.

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

INVESTMENT IN FREEDOM

President Eisenhower used dramatic language when he cited the case of Korea in justification for the insistence that in our mutual-security program there be no further cut. He said that we had invested 135,000 casualties in Korea. "This investment," he said, "was required from us in order to support our security in the world and to stand firmly behind the cause of freedom." He went on to ask: "Are we going to nullify all those casualties by failing to recognize the position of Korea, facing a long battlefield of 155 miles, and without adequate support from us?"

We don't always think of it just that way. Obviously the House Appropriations Committee was not thinking in those terms when only a few hours later, it voted a still further and drastic cut in mutual-aid appropriation, nor were other House Members when the full body affirmed the committee's cut. The President had said that such further cuts would imperil the whole program and with it our own security. Economy-minded legislators apparently felt that they could take the risk that the President had so clearly set forth. We doubt their wisdom.

Perhaps one difficulty is that there has not been enough realization of the real significance of that word "invest." We have always talked about aid, help, assist, and in some quarters there has always been stress upon give or giveaway, often in an unfriendly context. Of course, there is nothing wrong about giving, helping, or assisting. We could well be proud and happy that it is in our means to carry out this role. But what is implied is that we are giving to no good purpose and possibly giving beyond our means.

The investment idea is the best answer to this form of disbelief in ourselves and in our friends and allies. We invest, in any field, something that we have in the expectation that we will eventually receive a compensatory return for what has been expended. We don't give out of mere goodness of heart. We want a return and a profit.

That return and profit, in the case that President Eisenhower cited, is support for our own security. It involves also our standing firmly in the cause of freedom. The assurance of our security and the advancement of human freedom—our own and that of others—is a substantial return on the investment. To quote the President again, mutual aid is not supported by any "special pressure group"; this is "a case where the welfare of all of us is involved—every single one of us, and our children."

It should be noted that in each of the frontline cases that the President noted—Korea, Greece, Turkey, Formosa, and Vietnam—we are not the only investors. Our casualties are small, for example, compared to those of the Koreans who have died for freedom, theirs and ours. This is not giveaway. It is joint effort with its joint sacrifice. The term "mutual" security is correct.

This certainly is too important to us, and to those who are our allies, to become a mere political football. Attention has been focused upon whether a special session of Congress would have to be called. There has been a curious mathematical focus upon what percentage of the program could be lopped. Such approaches are basically wrong. We are working in the field of investment, not aid. The focal point should be what we hope to gain, and, indeed, what we must gain, by what we do at this time. There is still time to reconsider in the House and Senate the rash action taken yesterday. We are coinvestors in freedom with our allies. We cannot afford to fail them and to fail ourselves.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, for the consideration of the nomination to the Airways Modernization Board.

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

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. BIBLE, from the Committee on the District of Columbia:

John Lewis Smith, Jr., of the District of Columbia, to be associate judge of the municipal court for the District of Columbia.

By Mr. HILL, from the Committee on Labor and Public Welfare:

John J. Gilhooley, of New York, to be an Assistant Secretary of Labor, vice Harrison C. Hobart, resigned; and

Cecilia C. Conrath, and sundry other persons for personnel action in the Regular Corps of the Public Health Service.

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

James H. Smith, Jr., of Colorado, to be Director of the International Cooperation Administration, in the Department of State, vice John B. Hollister, resigned.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). If there be no further reports of committees, the clerk will state the nomination to the Airways Modernization Board.

The legislative clerk read the nomination of Elwood R. Quesada, of California, to be Chairman of the Airways Modernization Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

DREAM TRIP TO DISNEYLAND

Mr. MANSFIELD. Mr. President, it is heartwarming and reassuring to find that there are people in this day and age who direct their resources toward the benefit and enjoyment of others.

In Montana there are some 200 happy children whose dreams came true in the form of a trip to Disneyland in California. The journey to Disneyland for the children, 5 to 17 years old, of the Montana State Orphans Home at Twin Bridges and the Paul Clark Home in Butte, started on August 1, to last for 10 days. Six boys from the Yellowstone Boys Ranch near Billings also were in the party.

The benefactors who made this dream possible are Col. Benjamin H. Brinton, a former officer in the Army and Air Force, and his niece, 24-year-old Miss Nellie Avery. Colonel Brinton was on the New York Stock Exchange for 30 years and today owns a ranch in Madison County.

The children were accompanied on the trip by the colonel, Miss Avery, a nurse, physician, and the home employees. It is a trip that will long be remembered by each and every one.

Colonel Brinton and all those who contributed and assisted are to be commended for the inspiration they have given these children. A philosophy accredited to the colonel by his niece, "money isn't any good unless he can do good with it," is a wonderful guidepost for everyone's life.

Mr. President, I want to point out that Colonel Brinton was selected last week as "Montana's outstanding citizen" by the Montana Junior Chamber of Commerce. This special award was made in recognition of his work in financing this trip for the Montana orphans.

The full Montana delegation in Congress joins with me in commending Nellie Avery, Colonel Brinton, and all of the other citizens of Montana who made this memorable experience for these youngsters possible. We are proud that we have such folks in our State, and we deeply appreciate the kindness, thoughtfulness, and understanding they have displayed.

Mr. President, I ask that a series of articles appearing in Montana and Washington, D. C., newspapers outlining the children's trip be printed at this point in the CONGRESSIONAL RECORD.

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

[From the Montana Standard of July 30, 1957]

ONE HUNDRED AND SIX HAPPY CHILDREN OF ORPHANS HOME READY FOR DREAM TRIP

(By Frank Quinn)

Who doubts that good fairy queens and kings (if good fairies have kings) roam the

world today? Not the children at the Montana State Orphans Home at Twin Bridges—that's for sure.

Any visitor to the home, where there's now an air of eager anticipation rivaling that of Christmas week, will be informed by happy boys and girls that a good fairy waved a wand over the home and a trip for them to Disneyland in California is the result.

The fairy queen in this story is 24-year-old Miss Nellie Avery. The king is her uncle, a former Army and Air Force officer, an often decorated veteran of two wars, Col. Benjamin H. Brinton. For 30 years Mr. Brinton was on the New York Stock Exchange. He is a former governor and treasurer of that exchange. Today he describes himself as a rancher. His ranch is located north of Ennis in Madison County.

The journey to Disneyland in California for the 106 children, 5 to 17 years old, of the home, a 10-day trip in all, starts Thursday morning. Six boys from the Yellowstone Boys Ranch near Billings, a "Father Flanagan" type of operation also will be in the party.

Richard Little, superintendent of the home, who is "father" to the children; Mrs. Don Kalstad, the kindly head matron, and 16 other home employees, will be in the party. Colonel Brinton and Miss Avery will travel a day in advance of the five buses. They'll see to it that carefully planned accommodations arrangements for the children are made at stopover points.

Colonel Brinton is underwriting the dream trip for the boys and girls. He gives credit for the idea to his niece.

"It was Nellie who waved the fairy wand," he says.

It all started one evening in the Finlen Hotel here. Colonel Brinton, his daughter, Mrs. Ann Brinton Miller, 2 of his 6 grandchildren, Kenneth and Robin Miller, 9 and 7, and Miss Avery were visiting here from the colonel's Beaverdam Ranch. During dinner the subject of Disneyland came up. The children said they'd like to visit the famed world of fantasy and fact.

"Sure, we'll go there," the colonel said in the quick decisive manner he cultivated both on the New York Stock Exchange and in the Army and Air Force during World War I and II.

Then the fairy queen, Nellie, his favorite niece, waved her wand. Miss Avery, daughter of Mr. and Mrs. T. C. Avery, of Anaconda, has been interested in children of the Twin Bridges home since she was a high-school girl and a member of the Order of Rainbow. At that time she had an "adopted" Rainbow sister in the home with whom she corresponded and sent Christmas, birthday, and Easter gifts.

"Wouldn't it be wonderful," she remarked during the dinner, "if the children of the orphans' home at Twin Bridges could see Disneyland?"

"Let's take them with us," said the colonel.

"All of them?" asked Nellie.

"Sure, why not?" her uncle replied. "I'll underwrite it."

Then, with the speed and efficiency which has marked his successful financial and military careers, the colonel, along with an elated Nellie, swung into action.

The next day people of the Madison Valley were contacted. The idea caught fire with them, and some volunteered substantial contributions toward the project. A similar response was met with in Bozeman, Great Falls, Helena, and Butte. The colonel wasn't looking for contributions, but he got them. Monday, he said, "We don't need more money, but realize that if contributions are made it'll interest people in the home and in the children there who are deserving of a better break. So if someone wants to finance a child's cost on the trip it's all right by us. We're not selfish in our desire to give these boys and girls a trip they'll never forget."

Financing, to the colonel, was the least of his troubles in setting up the trip. Moving an orphanage from Montana to California and back is no small assignment, and requires official approval.

The colonel and his niece contacted Gov. J. Hugo Aronson and members of the Montana State Board of Education, which supervises the Twin Bridges home. They also discussed the plan with Attorney General Forrest H. Anderson and Miss Harriet E. Miller, superintendent of public instruction, all board members: with Superintendent Little, and with State Representative Summer Gerard of Ennis. The official approval was given for the trip to extend from August 1 to 10. Governor Aronson, in announcing the approval called the trip, "a dream of a lifetime for these deserving children."

What's the result? About 106 of the most elated, thrilled, and starry-eyed boys and girls in the world.

The colonel and Miss Avery were visitors at the home Sunday. No matter where they went, or where children encountered Superintendent Little or Mrs. Kalstad, the questions were the same:

"When do we leave? Will I have a suitcase? Will we get to see Mickey Mouse? Can't we leave tomorow?"

Willard, 15, said, "I've never been out of Montana. Never been anywhere much. It's sure great."

Pete, just past 16, said, "I think I'm looking forward to seeing Goofy more than any other Disney character." "Aw, who wants to see Goofy?" chimed in Robert, 12, who was lying on the lawn after lunch. "It's Donald Duck I'm looking forward to meeting."

June, 14, a beautiful, brown-eyed, black-haired charmer, expressed hope that she'd meet Bing Crosby, "maybe even Elvis Presley." Linda, 13, her cottage chum, had similar aspirations.

Smaller children in the home—Jimmie, 6; Marie, 8; Rose Marie, a pretty little blond who'll be 7 on Thursday, the day they leave; and Anna, a stolid little girl with bewitching curls, aren't concerned about whom they'll meet; they just know they're going on a trip, and it's wonderful.

The trip schedule, subject to change is as follows:

Leave Twin Bridges at 7 a. m. Thursday morning and travel to Butte, where the children will be greeted by Mayor W. P. Donnelly at the Webster-Garfield School at 9 a. m. daylight-saving time.

Leave Butte at 9:15 o'clock and travel to Missoula where the party will be given a State sendoff by Governor Aronson.

Thursday night will be spent in Boise, Idaho, where the children will be greeted by Idaho Gov. Robert Smylie and former United States Senator Herman Welker, who is acting as one of the Idaho hosts.

Friday night will be spent in Carson City, Nev., where the party will be met by Nevada Gov. Charles Russell.

Saturday morning the busses will move into Los Angeles, and then for 3 days, August 4, 5, and 6, the children will visit Disneyland and other points of interest in the area. While in Los Angeles the group will meet California Gov. Goodwin Knight.

En route home the children will visit Yosemite National Park and Pendleton, Oreg., where they'll meet Oregon Governor Holmes.

The children will be accompanied by a nurse and a physician.

The suitcase problem was solved with contribution of suitcases for the children by residents of the Madison Valley and Dillon.

The colonel solved a possible shortage of luggage by saying, "Let's buy some. The children can always use it."

And now a word about the man who is making the trip possible.

Colonel Brinton, although born in Salt Lake City, claims he's a native of Montana.

"I came to this State with my parents when I was just 6 months old," he said. "I think that makes me a native Montanan."

His parents were the late Mr. and Mrs. Charles P. Brinton. The family first located in Great Falls, where the colonel's father went to work for the late James J. Hill during construction of the Great Northern Railroad, then the Montana Central, organized by Mr. Hill, who was known as the Empire Builder. Mr. Brinton's father made the original surveys for the railroad.

Later the family moved to Butte where Colonel Brinton attended grade schools and was graduated from Butte High School in 1914. He attended the Montana School of Mines for 2 years, then the University of Pennsylvania, and later Columbia Law School in New York, where he received his law degree. During his college days in Butte, Pennsylvania, and New York, he worked in the summer months on Butte Hill as a miner and surface worker.

For a time after receiving his law degree he practiced law in Washington and New York City. Later he was assistant to the president of the Standard Oil Co., a position he held for 5 years. Then he formed his own organization and went into the New York Stock Exchange. His firm, in which he retains an interest, is known as Brinton & Co.

In World War I he served in France as an artillery captain in charge of a horse-drawn battery. During World War II he was an Air Force colonel in England and North Africa. He was decorated three times. Between wars he found time to conduct the affairs of his firm, as senior partner of Brinton & Co., and to serve as both governor and treasurer of the New York Stock Exchange.

It was his boyhood ambition to have a Montana ranch and 4 years ago he realized that goal. He has quite a spread, and it's a working ranch. He spends his summer at the ranch near Ennis, his winters in Virginia.

In addition to his daughter, Mrs. Ann Miller Brinton, the colonel has a son, William Brinton, who is practicing law in San Francisco, and who has four children, and a son, Benjamin H., Jr., who resides in Michigan.

"I've always liked children," the colonel says, "and especially children who need a break in life. That's the story of this trip to Disneyland."

His niece, Nellie, who is helping her uncle prepare a book about the New York Stock Exchange, attended Anaconda High School and was graduated from Beaverhead County High School, Dillon. She has an ambition to operate a ranch for boys, and with her uncle is looking forward to setting up just such a ranch at the Beaver Dam property.

"The colonel," she says, "is just about the kindest man I ever knew. He has helped many young men through college, and has a theory that money isn't any good unless he can do good with it."

Superintendent Little of the home, like Colonel Brinton, is hopeful that some adoptions will come about as a result of the Disneyland trip. There have been 38 adoptions at the home in the last 2 years.

"These children," says Mr. Little, who has done a wonderful job at the home, "are hurt children. With few exceptions, very few, they are children of broken homes. They are emotionally upset on arrival at the home because they feel they are not wanted. Ninety-six percent of them never hear from, nor see their parents. If we can do anything to prevent their becoming institutional cripples, boys and girls who grow up depending on someone else to make all of their decisions for them, we will have accomplished much.

"Perhaps this trip will inspire many others to give the home help such as has been given by people of the valley, of Butte, Anaconda, and other communities. These chil-

dren are most important. They are future citizens of Montana."

[From the Daily Missoulian of July 28, 1957]

ORPHANS' TRIP FUND DRIVE STARTED HERE

A fund-raising campaign is under way in Missoula to help send the 200 orphans in the Montana Orphans Home at Twin Bridges on a 10-day bus trip to California to see Disneyland, actors, and other attractions.

The local drive began Saturday under the direction of Lou Torok. Mayor James A. Hart has given his full support. Contributions may be sent to "Orphans Trip," the Southside National Bank, Torok announced.

The idea, conceived by Miss Nellie Avery, of Ennis, was given official approval Friday by Gov. J. Hugo Aronson and the Montana Board of Education. An uncle of Miss Avery, Benjamin H. Brinton, a former president of the New York Stock Exchange, has promised to underwrite any deficit.

The trip, scheduled August 1 to 10, is estimated to cost $20,000. The trip will include meetings with movie stars, visits to Disneyland, and several stops en route to visit State governors and other officials.

Members of the local citizens committee, in addition to Mayor Hart and Torok, are Donald G. Bradley, Robert J. Gillis, Randolph Jacobs, Robert L. Jordan, Kenneth E. Killion, Mr. and Mrs. Arthur J. Mosby, Richard M. Peek, Robert V. Sias, and Mr. and Mrs. William J. Strothman. The junior chamber of commerce is also assisting.

[From the Miles City (Mont.) Star of August 1, 1957]

ORPHANS ARE ON WAY TO CALIFORNIA

TWIN BRIDGES.—About 200 orphans from the Montana Orphans Home in Twin Bridges left Thursday on a free 10-day bus trip to California. They will visit the governors of several States along the way and plan to meet Bing Crosby, Roy Rogers, and other movie stars in California.

Gov. J. Hugo Aronson said the trip was developed by Miss Nellie Avery, who is getting help from her uncle, retired Air Force Col. Benjamin H. Brinton, former treasurer of the New York Stock Exchange. They live on a ranch north of Ennis. The Butte-born colonel spends winters in Virginia. The trip was financed by voluntary contributions, with Brinton making up the difference.

The governor, who termed the trip "a dream of a lifetime for these deserving youngsters," had planned to see them off, but because of pending conferences following the riot at the Montana prison, he designated Chief Justice James T. Harrison to take his place.

The bus will stop at Boise to meet Idaho Gov. Robert Smylie and former United States Senator Herman Welker, in Reno or Carson City to meet Nevada Gov. Charles Russell and somewhere in California to meet Gov. Goodwin Knight.

[From the Butte (Mont.) Standard of August 1, 1957]

PAUL CLARK HOME TOTS TO MAKE DISNEYLAND TRIP

There was little sleep, if any, Wednesday night for 106 children of the Montana State Orphans Home at Twin Bridges, and for 25 children of the Paul Clark Home in Butte as they awaited departure time for a 10-day trip to California and a visit to the famed, fantastic Disneyland.

Perhaps the children of the Paul Clark Home here were the most restless for the trip comes as a surprise to them—a last-minute surprise. The children at Twin Bridges have known for the last week that they were going to be guests of Col. Benjamin H. Brinton, Madison County rancher and former New York Stock Exchange officer, on the "dream trip." But, the Paul Clark Home children did not know until Wednesday morning that the colonel, and his niece, Miss Nellie Avery, who inspired the colonel with the idea of taking the children on the trip, would take them too.

The party of 106 children from Twin Bridges with Superintendent Richard Little and other home employees, and the 25 from the Paul Clark Home with Mr. and Mrs. J. S. Foster accompanying them will leave Butte at 9 o'clock for Missoula where they will be greeted and given a farewell sendoff by Chief Justice John C. Harrison of the Montana Supreme Court, who will stand in for Gov. J. Hugo Aronson who will meet with Prison Warden F. O. Burrell in Helena Thursday morning to discuss the situation at the prison in the wake of Tuesday's riot.

Mayor W. P. Donnelly will give the children a sendoff here, and also a letter to the mayor of Los Angeles. A large number of Butte residents are expected to assemble at the Webster-Garfield School here, the first stop for the Twin Bridges children who'll leave the State Orphans Home at 8 o'clock. The party will travel in seven buses.

Ray Gallant, former Butte handball star, made arrangements for the Paul Clark children to make the trip.

[From the Butte (Mont.) Standard of August 2, 1957]

MONTANA ORPHANS ARRIVE IN BOISE

BOISE, IDAHO—Six busloads of children from the Montana State Orphans Home at Twin Bridges, Mont., rolled into Boise Thursday on their way to California.

B. H. Brinton of McAllister, Mont., former Air Force colonel who accompanied the caravan, said the 200 children are headed for Disneyland in California and visits with several State governors along the way.

The children were put up at two hotels here. The $20,000 trip is being underwritten by Montana contributors, with Brinton promising to make up the deficit.

Friday they were to leave for Carson City, Nev., to meet Gov. Charles Bennett. An aid in the office of Gov. Robert E. Smylie, who is on a fishing trip with his family, said Smylie may be able to meet the youngsters on their return trip.

Brinton, now a Montana rancher, said the children had been promised the "red carpet" treatment at Disneyland near Anaheim, Calif. He said Walt Disney and movie stars Bob Hope, Gary Cooper and Bing Crosby were to meet them. Cooper is a native of Montana.

Thursday night the orphans were given tickets for the Boise Braves baseball game here with the Twin Falls team. Among their Boise hosts was former United States Senator Herman Welker.

One hundred thirty-one children of the Montana State Orphans Home at Twin Bridges and the Paul Clark Home in Butte, left Thursday on a free, 10-day bus trip to Los Angeles.

They were starry-eyed and also a little sleepy-eyed as they left after being greeted here by Mayor W. P. Donnell and the Rt. Rev. Msgr. Emmet J. Riley, member of the State Board of Education.

Supervisors of both homes reported the children got little sleep Wednesday night.

"They were up at 4:30 although we aren't scheduled to leave Twin Bridges until 7," said one of the Twin Bridges matrons.

"Ours were sitting on the steps of the home as early as 6 o'clock," one of the matrons of the Paul Clark Home said.

One of the children from Twin Bridges said, "I slept a little, but I kept dreaming of seeing Mickey Mouse, Goofy, and other Disney characters in person."

The trip is underwritten by Benjamin H. Brinton, retired Air Force colonel and former governor and treasurer of the New York Stock Exchange. He now operates a ranch north of Ennis, spending his summers in Montana and his winters in Virginia. The trip was inspired by his niece, Miss Nellie Avery. Several voluntary contributions were received, the colonel said here Thursday morning, and he expressed appreciation to those showing their interest in the underprivileged children.

Richard Little, superintendent of the Twin Bridges home, and Mrs. Don Kalstad, head matron, were in charge of the children from that home. Mr. and Mrs. J. S. Foster accompanied the 25 children from the Paul Clark Home. The trip for the Paul Clark children came as a surprise to them. It was not until Wednesday morning that they were informed the colonel included them in the trip plans.

The five buses, conveying the Twin Bridges Home children, and the one from Butte with the Paul Clark Home children aboard left here by way of Dillon for Boise where an overnight stop was scheduled. The party was to be greeted in Boise by Idaho Gov. Robert Smylie, and former United States Senator Herman Welker, a friend of Colonel Brinton. In Carson City, Nev., they'll be met by Nevada Gov. Charles Russell and in Los Angeles by Gov. Goodwin Knight.

Mayor Donnelly presented Superintendent Little with a letter of introduction to the mayor of Los Angeles. The Butte mayor wrote:

"Through Superintendent Little of the Montana Orphans Home, Twin Bridges, and Col. B. H. Brinton, the citizens of Butte and residents of all Montana present to you one of the Treasure State's greatest assets—its boys and girls. The boys and girls of the Montana Orphans Home hold a special spot in the hearts of our people and we recommend these children to you without reservations as being some of the finest boys and girls in the world. Anything you may do to make their stay in Los Angeles enjoyable will be deeply appreciated."

Several hundred Butte residents assembled at the Webster-Garfield School to wish the young wayfarers a happy trip to Disneyland. Candy and gum treats were given the boys and girls by the Louis S. Cohn Co. and Roy Murray, Jr.

[From the Great Falls (Mont.) Tribune of August 2, 1957]

ONE HUNDRED AND THIRTY-ONE ORPHANS START TRIP TO CALIFORNIA

BUTTE.—One hundred and six children of the Montana Orphans Home at Twin Bridges and 25 from the Paul Clark Home in Butte left Thursday in 6 chartered buses on the start of a free 10-day trip to California.

The youngsters will visit the governors of several States along the way and plan to meet Bing Crosby, Roy Rogers and other movie stars.

They are due to arrive in Los Angeles Saturday and also visit Disneyland Sunday.

The trip was arranged after Benjamin H. Brinton, a retired Air Force colonel and former treasurer of the New York Stock Exchange said he would underwrite it. Brinton now owns a ranch near Ennis.

Thursday he said a number of contributions had been received to help with the expenses.

Supervisors and matrons of the homes and a nurse are accompanying the children.

They were given a sendoff at Butte by Mayor W. P. Donnelly and the Rt. Rev. Msgr. E. J. Riley, a member of the Montana Board of Education.

On the return trip the youngsters will stop at Yosemite Park and Pendleton, Oreg.

ARRIVE IN BOISE

BOISE, IDAHO.—Six busloads of children from the Montana Orphans Home at Twin

Bridges, Mont. and a Butte home rolled into Boise Thursday on their way to California.

The children were put up at two hotels here.

Friday they will leave for Carson City, Nev., to meet Gov. Charles Bennett. An aid in the office of Idaho Gov. Robert E. Smylie, who is on a fishing trip with his family, said Smylie may be able to meet the youngsters on their return trip.

Thursday night the orphans were given tickets for the Boise Braves-Twin Falls baseball game here. Among their Boise hosts was former United States Senator Herman Welker.

[From the Great Falls (Mont.) Tribune of August 3, 1957]

STATE ORPHANS POSE PROBLEM IN LOGISTICS

CARSON CITY, NEV.—Officials of two cities and the State government Friday tackled and solved a logistics problem posed by a sudden visit of 265 Montana orphans.

The boys and girls, ranging in age from 6 to 16, entered Nevada in 6 chartered buses, en route to Disneyland where a reception will be held with actors Bing Crosby, Bob Hope, and Roy Rogers.

Gov. Charles Russell instructed highway patrolmen to meet the buses, and escort 3 to Reno and 3 to Carson City. Chamber of commerce officials scrambled to find quarters, finally retaining six motels. A catering service was hired to provide box lunches.

The trip is financed by Benjamin H. Brinton, retired treasurer of the New York Stock Exchange, now a rancher at Ennis, Mont.

Brinton said the children were all either orphans or products of broken homes living in the Montana Orphans Home. He said he hoped the trip would stimulate interest in adoption of older children.

The youngsters were scheduled to resume the pilgrimage Saturday.

[From the Great Falls (Mont.) Tribune of August 5, 1957]

ORPHANS ENTER MAGIC WORLD OF DISNEYLAND

ANAHEIM, CALIF.—More than 200 orphans from State institutions in Montana entered the magical world of Disneyland Sunday as guests of a New York stockbroker.

Benjamin Harrison Brinton, who owns a ranch at McAllister, Mont., brought the youngsters here in six chartered buses. They'll spend 2 more days visiting Walt Disney's amusement park before heading home via Yosemite and Yellowstone National Parks.

Brinton, a retired Army colonel, said the idea for the trip originated with his niece, Nellie Avery, who is accompanying him and the children. In addition to providing the orphans with fun and excitement, he said, he hopes the trip will arouse public interest in adoption.

The children, boys and girls of all ages, left Butte August 1.

[From the Washington Post of August 13, 1957]

GARY LIKE A KID AT ORPHAN PARTY

(By Louella Parsons)

HOLLYWOOD, August 12.—Gary Cooper was like a great big kid when he played host to 300 orphan youngsters from his native State of Montana. The group was touring the southern part of California in seven Greyhound buses, and Gary gave them a big breakfast. He had a ball with these children of all ages, colors, and creeds. Seven Indian children made him an honorary chief of the Blackfoot tribe, and named him Henry North Wind.

Why the "Henry" I don't know. But I do know that things of this sort are so little publicized, and are so typical of many of the fine things done by our top stars in this town.

[From the Daily Missoulian of August 7, 1957]

STATE ORPHANS HAVING FUN

HELENA.—Montana orphans enjoying a trip to Disneyland in California this week through the generosity of a Dillon area rancher and his niece are "simply carried away," according to a telegram received by Gov. J. Hugo Aronson Tuesday.

Richard Little, superintendent of the Montana Orphans Home at Twin Bridges, wired the Governor:

"Disneyland is fabulous and the children are simply carried away with it all. Many compliments are being paid to our kids on their splendid behavior. We plan on taking off for beautiful Montana Wednesday morning."

[From the Butte (Mont.) Standard of August 11, 1957]

BRINTON CHOSEN AS TOP CITIZEN

BIG TIMBER.—Benjamin Harrison Brinton, Ennis area rancher, Saturday was selected by the Montana Junior Chamber of Commerce as Montana's outstanding citizen.

The special award was made in recognition of Brinton's work in financing the trip of more than 200 orphans from Montana to California.

Brinton is a former New York stockbroker and a retired Army colonel.

Included in the trip were visits with governors of some Western States and fun in Disneyland.

The children, boys and girls of all ages, left Butte August 1 and are expected to arrive in Montana Sunday.

The action was taken by the Jaycee board of directors, whose 3-day meeting ends Sunday noon.

More than 100 Jaycees are attending the meeting to plan projects for the year.

Among programs approved were continuation of junior golf and tennis, the youth-fitness program, and teen-age road-e-o.

Ted Anderson, national Jaycee vice president, Salt Lake City, spoke at a banquet Saturday night.

Forrest Henderson, past president of the North Dakota Jaycees and now a member of the Helena club, will speak at a Sunday breakfast meeting.

Orvin B. Fjare, former Montana Congressman and Montana Jaycee president, conducted a forum Saturday on duties of a local president.

[From the Butte (Mont.) Standard of August 12, 1957]

MONTANA ORPHANS END ADVENTURE—VISIT MINING CITY

Tired but happy, their suntanned faces reflecting the elation they were not able to put into words, 136 boys and girls from the State Orphans Home at Twin Bridges, the Paul Clark Home in Butte and the Yellowstone Boy's Ranch near Billings, arrived in the mining city, Sunday night, after an adventure to Disneyland.

One little girl from the orphans home had to bypass the Butte stopover. Dick Little, superintendent of the Twin Bridges home, said she contracted measles and had to be isolated from the group and returned in a State car. Fortunately, she didn't become ill until the homeward journey had started, so she didn't miss out on all the fun.

Five busloads of the children, ranging in age from 6 to 17, came here shortly after 7 p. m. The sponsor of the trip, Col. Benjamin Brinton, McAllister rancher, and niece, Miss Nellie Avery, who suggested the trip are returning separately.

The fabulous tour for the orphans—106 from Twin Bridges, 25 from Butte, 6 from Billings—started August 1 and included stopovers en route to California. The visit to Disneyland was the climax.

They were given a highway patrol escort to Butte by Patrol Sgt. William Thornby and Trooper William Madlena. Many Butte cars joined the parade while others honked greetings.

Except for the girl with the measles, Mr. Little said everyone was happy and healthy—except for occasional cases of carsickness.

The excited children were able to find only one word about the trip that fit their emotions: "Wonderful."

The children returned to their homes Sunday night.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, I wish to announce to the Senate that the supplemental appropriation bill will be brought up on Monday. There will be further hearings on the mutual aid bill on Monday morning, but as soon as the bill is cleared and marked up it is the intention of the leadership to bring that bill before the Senate for consideration.

EMPLOYMENT IN NEVADA'S TUNGSTEN MINES

Mr. BIBLE. Mr. President, from time to time those of us from the mining States have pointed out to our colleagues in the United States Senate the dire straits of the mining industry. A short time ago we made plain that the tungsten industry was in critical shape. We later showed the deplorable condition of the lead and zinc industry, and then the copper industry, as well as other industries.

Mr. President, I should like to read the latest report of the State mining inspector of the State of Nevada, which is contained in a very short article under date of August 8, entitled "One Thousand Former Tungsten Miners Have Lost Jobs Since January 1956."

The article reads:

Employment in Nevada's tungsten mines has dropped from about 1,100 in January 1956, to about 100 today, State Mine Inspector Mervin J. Gallagher said yesterday.

Mr. Gallagher said the failure of Congress to provide funds to carry on the tungsten program which was authorized by Congress last year will probably wipe out the remaining segment of the State's tungsten industry unless something happens soon to reverse the trend.

Mr. President, I ask unanimous consent that the entire article be printed in the RECORD at the conclusion of my remarks. I point out that in this particular field the administration has failed dismally to give us any long-range mining program whatever.

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

ONE THOUSAND FORMER TUNGSTEN MINERS HAVE LOST JOBS SINCE JANUARY 1956

Employment in Nevada's tungsten mines has dropped from about 1,100 in January 1956, to about 100 today, State Mine Inspector Mervin J. Gallagher said yesterday.

Mr. Gallagher said the failure of Congress to provide funds to carry on the tungsten program which was authorized by Congress last year will probably wipe out the remaining segment of the State's tungsten industry unless something happens soon to reverse the trend.

The State mine inspector noted that there were 953 men employed in tungsten opera-

tions in June of 1956. On June 30, 1957, there were 453 tungsten workers in the State, and today, there are only 100. Nearly all are at the Nevada-Massachusetts operation at Tungsten, in northern Pershing County.

In June 1956, the mills of the State were producing about 3,185 tons of tungsten per day. In June of this year, this had dropped to 1,800 tons per day. The present level of production is under 100 tons per day.

Mr. Gallagher noted the hard-hit areas include Pershing and Humboldt Counties, Mineral and Nye Counties, and Lincoln County.

Among the major tungsten producers which have ceased producing the mineral in the last year are the Getchell mine at Golconda, Wah Chang Corp. mine at Templute, Nevada Scheelite in the Regent district north of Hawthorne, and Gabbs Exploration Co. in Nye County.

WHY THE PRESENT CIVIL-RIGHTS BILL SHOULD BE ENACTED INTO LAW

Mr. NEUBERGER. Mr. President, it is my fervent hope that Republican leaders in the House will recede from their all-or-nothing attitude of recent days and permit the passage of even a modest civil-rights bill at this session of Congress.

We have recently been witnessing an extraordinary spectacle. Men who never before in their careers have been enthusiastic for civil-rights legislation are suddenly demanding a stronger, more stringent bill than the groups which have been pioneering for civil rights through all the lonely decades of the past.

During the reign of Louis XVI a famous phrase swept France. People spoke of those fawning creatures of the French court who tried to be "more royalist than the king." Such persons were despised and ridiculed.

This historic aphorism applies today on Capitol Hill. Despite their genuine disappointment over certain crippling phases of the civil-rights bill passed by the Senate, such organizations as Americans for Democratic Action, the AFL-CIO, the National Association for the Advancement of Colored People, the American Jewish Congress, the Friends Committee on National Legislation, the American Council on Human Rights, and their allies all have agreed that the present inadequate bill is better than no bill whatsoever.

Of course, these groups and their associates are sorely disturbed over the jury-trial amendment and over elimination of part III. I share their disappointment. But they also realize that the present bill, in their own words, "will be the beginning, not the end of our struggle." They will fight another day, and to strengthen this bill.

Yet, Mr. President, is it not passing strange that the groups which have blazed the trail for civil rights are willing to accept the modified bill this year, while men long lukewarm to civil rights have suddenly been hinting at a stronger bill or nothing? Politicians without a single original civil-rights corpuscle in their veins have abruptly become "more royalist than the king."

On August 14 a letter reached my desk from Mr. Roy Wilkins, executive secretary of the National Association for the Advancement of Colored People. Now that the illustrious Walter White is unfortunately gone from among us, if any American of today can be regarded as "Mr. Civil Rights" he is Roy Wilkins. Mr. Wilkins' letter said in part:

> We remain convinced here that, despite the fact that the Senate has passed a weaker version of the bill than the House, the debate has served a purpose and that, if this bill, weak though it is, should be approved (with certain modifications) by both Houses, we will have an instrument that will be of some service in approaching a solution to the problem.

That is the considered verdict of Roy Wilkins, who has fought and bled in the civil-rights wars virtually all of his adult life. By contrast, we have Johnny-come-latelys to the civil-rights struggle attempting to supersede the judgment of Roy Wilkins and others like him, by demanding a more stringent bill or nothing at all. Perhaps such people, who do not basically understand the civil-rights issue, would prefer nothing at all so they could have a political issue.

Mr. President, I doubt if the colored voters of America will be fooled by such a ruse. They are not as gullible as some of these very-late newcomers to the civil-rights battlefront might assume. They know who their real friends are, and who their false friends are. Some of them may even recall the city editor in that journalistic drama who said to the meek little reporter at his desk, "Our paper is going to get that story if it breaks every bone in your body." Some of these eleventh-hour converts to the cause of civil rights are determined to create for themselves a political issue in 1958 and 1960, even at the expense of sacrificing the first real breakthrough in civil-rights legislation in nearly a century of effort.

Despite our very genuine alarm over some phases of the present bill, let us enact it into law—with certain perfecting improvements—and then work again to improve it at a later day. Let us repudiate those who would be "more royalist than the king," who would set themselves up as higher judges for what is best for the minorities of our country than the minority groups themselves.

An able columnist of Republican sympathies, Mr. Roscoe Drummond, has written:

> President Eisenhower and the Republican leadership, it seems to me, will be making a grievous mistake if they try to kill the right-to-vote bill.

Another outstanding columnist, Miss Doris Fleeson, whose sympathies might be said to be Democratic, has declared:

> A great portion, perhaps most, of the Nation's press is relieved that a messy filibuster has been avoided, not unhappy about a jury trial in some form, and praising the joint Senate effort that brought about the legislation.

And Marquis W. Childs, columnist for the liberal St. Louis Post-Dispatch and Washington Post and Times Herald, has written:

> The forces behind acceptance of a compromise are powerful. Walter Reuther has succeeded in bringing the CIO-AFL around to that view. Roy Wilkins, of the National Association for the Advancement of Colored People joined with other civil-rights advocates in urging the half-a-loaf theory.

Mr. President, I would rather trust the disinterested attitude of these three distinguished American commentators—each of them with a somewhat different perspective—than to abide by the selfish and self-serving judgment of politicians who look upon civil rights as some new contrivance for their own personal advancement.

I ask unanimous consent that the column by Roscoe Drummond from the Portland (Oreg.) Journal; that by Doris Fleeson from the Washington Evening Star, and that by Marquis Childs from the Washington Post and Times Herald, may appear with these remarks.

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

[From the Portland (Oreg.) Journal]

RIGHT-TO-VOTE LAW DESERVES THOROUGH TRIAL

(By Roscoe Drummond)

WASHINGTON.—President Eisenhower and the Republican leadership, it seems to me, will be making a grievous mistake if they try to kill the right-to-vote bill.

The polite theory of some of the more politically minded Republicans is that to smother this bill to death now on the ground that it doesn't go far enough and then to return to the fight to get one that goes further next year would be better.

Better for whom?

Better for the Negroes who are not being allowed to vote? Or better for the Republican politicians who want to win elections with the support of Negroes already allowed to vote?

If the White House and the Republican leaders want to make possible a genuine advance in protecting the right of all citizens to vote on equal terms, they will accept the amended legislation as a good beginning.

If the White House and the Republican leaders just want to shoot off political roman candles and make a great show of indignation that the Democrats watered down the bill, they will maneuver to suffocate it.

To some it must look like smart politics for the Republicans to stamp this bill to bits in conference over the House and Senate versions in order to show how much better the bill would have been if there had been more Republicans in the Senate.

But when you are dealing with the precious right of Americans to vote, smart politics isn't good politics, isn't good government, isn't responsible government.

This is the first right-to-vote legislation which has won a majority vote in the Senate in more than 80 years.

It was debated honestly and constructively. It was argued without filibuster and was brought to a vote without filibuster. It was amended on conviction and in light of the debate.

Of course, the bill could be stronger. But what help to Negroes wanting to vote would there be in a stronger bill which wasn't passed?

What valid reason is there to believe that Senators who voted for the amendment providing jury trials in cases of criminal contempt would vote against such trials next year?

This legislation gives the Federal Government new and untried powers to protect the right to vote. Should these new powers be thrown away on the speculation that sometime, somehow, a bill could be passed that would give the Federal Government still further powers?

These new powers may not be all many would like in behalf of the right to vote, but they will do a lot more than no new powers plus a speculation that a better bill might just happen to come into being in 1958.

What I am saying is that all this Republican-inspired talk about the merit of getting the bill killed in order to try again next year is just too cute, too politically scheming, to be allowed to happen.

This bill doesn't do as much political damage to the Democrats as the Republicans hoped. So what?

This bill does not put as much authority in the hands of the Justice Department as many Republicans and some Democrats would like. Their views in the end may prove well founded. Conceivably, the bill will not work well; conceivably the powers will prove unequal to the need.

But shouldn't we find out instead of throwing up our hands in feigned political horror that everything hasn't been done at once?

Many people dedicated to civil rights, including leaders of some of the Negro organizations, consider this a useful, workable bill.

If it needs to be improved, experience will show it. To talk about improving it without trying it, to talk about killing it in order to start all over again, that is shoddy politics.

[From the Washington Evening Star]

CROSSROADS ON THE RIGHTS BILL: OUTLOOK FOR MEASURE VIEWED AS BEING A LITTLE LEGISLATION OR NONE AT ALL

(By Doris Fleeson)

President Eisenhower canceled his press conference this week without explanation. An informed guess is that he has not yet found his way through the civil-rights wood where the tall presidential timber is sticking up a mile.

Every informed person here now knows that if Republicans would accept a civil-rights bill with a modified form of jury trial in it, that bill would be approved by Congress and on its way to the President for signature within a short time.

The battle for the civil-rights groups outside Congress has been won. The National Association for the Advancement of Colored People is actively seeking approval of the Senate bill as the best available. The AFL-CIO is urging its adoption as a practical matter.

A great portion, perhaps most of the Nation's press is relieved that a messy filibuster has been avoided, not unhappy about a jury trial in some form and praising the joint Senate effort that brought about the legislation.

In a really remarkable show of comity, the Senate leaders, Democrat LYNDON JOHNSON and Republican WILLIAM F. KNOWLAND, have joined in a warning to the national chairmen of both parties to keep hands off the situation.

The President, on the record, does not care to buck trends of this type. He has an innate distaste for purely political maneuvering, which is where the civil-rights bill currently stands. It must be as clear to him as it is to everyone else that the burden of proof has shifted from the framers of the Senate bill to those who would now so act that no bill at all would be the inevitable result.

The front man for the latter group is House Republican Leader JOE MARTIN. To what extent he has in his corner the strategists who framed the first salvos against the jury-trial amendment—Vice President NIXON and Acting Attorney General William P. Rogers—is not clear.

MARTIN certainly has on his side the diehard southern Democrats of the House. This is an old coalition, and its capacity to be difficult, starting with its entrenched position on the Rules Committee, is very, very great.

It can stick to its hardnose attitude that the Senate version must go to conference with the House only if the President and Vice President allow it. The President has JOE MARTIN'S ear, and so does NIXON.

As matters now stand by a kind of weird justice, the Democrats are beginning to look like the civil-rights party. Their southern Senators sacrificed the sacred filibuster to allow the passage of the first Federal civil-rights statute since reconstruction. It may be better or worse than it looks, but it's there.

There are Republicans, too, who can take credit, but any veteran of the Congressional galleries will certify that there have consistently been more Democrats favoring civil-rights legislation through the years than Republicans by a fairly wide margin. The number in Congress who have a passionate conviction about the issue is another story entirely.

The counsels now reaching the President's ear are carefully guarded from the public view and there will be no gathering of reporters to smoke them out this week.

What he has to gain, where his intense anxieties focus, is, however, clear. In an extraordinary White House meeting, he has begged 20 Congressional leaders—half from each party—to support the full amount of foreign aid in the compromise bill. It is only realistic to suggest that his control of that situation is in part dependent on how carefully he treads the civil-rights path with a Democratic majority in the Congress.

[From the Washington Post and Times Herald]

POLITICS SPICING CIVIL RIGHTS STEW

(By Marquis Childs)

The peculiar drama of the civil-rights struggle goes on and on, with the lines of conflict so blurred that it has long since become impossible to tell where political expediency ends and the merits of the issue begin.

The comfortable solution is for passage of the Senate bill with the jury trial amendment modified so that it would apply only in cases involving voting rights. This would avoid the very real damage that would be done if the injunctive process were modified in the 36 areas where it now applies.

With this solution, Congress can adjourn in a week or 10 days and, for a time at any rate, the civil-rights issue would be safely in the deep-freeze. The ugly spectacle of a filibuster would have been avoided, and that in itself would be a distinct gain, since such a spectacle can do great harm both at home and abroad.

What is more, the compromise measure would make some contribution toward the essential objective—essential for those who believe in civil rights—of insuring the vote to the Negro in the South. How much of a contribution is a matter for argument. There is room for honest difference as to whether it would be a beginning, a base for further gains, or whether it would be a convenient pretext for resisting any further change.

Both sides are now shouting "politics" so loudly that the facts are almost wholly obscured. It is too easy to dismiss the administration's stand for an effort to get a stronger bill, by way of a conference between the Senate and the House, as merely political.

In such a conference it should not be impossible to add some strengthening provisions, thereby compromising the all-out House version with the greatly weakened Senate version. It should not be impossible, for example, to agree on a provision whereby local authorities may call on the Department of Justice for help in sustaining civil rights where clearly the majority desires the enforcement of such rights.

Some provisions in the bill are definitely harmful. The Civil Rights Commission it creates would hold public sessions unless the Commission determines that evidence or testimony at any hearing may tend to defame, degrade, or incriminate any persons. Then the testimony will be in executive session. The bill makes it a crime to disclose such testimony and a newspaperman who prints it could be sent to jail for 1 year and fined $1,000.

Because both Houses agreed to this language, it is said that it could not in any event be stricken out in a Senate-House conference. And moreover, so the argument goes, it would not in any event be enforced. But the mere fact of its enactment would be a dangerous precedent.

The forces behind acceptance of a compromise are powerful. Walter Reuther has succeeded in bringing the CIO-AFL around to that view. Roy Wilkins of the National Association for the Advancement of Colored People joined with other civil-rights leaders in urging the half-a-loaf theory.

Most of the signers of the manifesto urging the compromise Senate bill are in the liberal wing of the Democratic Party. The politics of this is obvious enough. Failure to get any bill at all would be blamed by the Republicans on the jury-trial amendment, and the Democrats in the Senate voted for that amendment in the ratio of 4 to 1. If a compromise bill is passed, the Democrats can, with some justification, claim the credit for it.

There is a certain wry humor in the outraged cries coming from both sides. The Democrats demand to know how long the Republican leaders in the House have been for civil rights. Since when did JOE MARTIN become an advocate? The Republicans, in turn, ask when Speaker SAM RAYBURN and those southern and border State Democrats pushing the compromise became converts to the cause.

This is the chaff of politics. It cannot obscure the very real gains in recent years for civil rights. Perhaps the bill, as compromised down to its narrow limits, would be another step in this direction. But there should be no illusions about the size of this step nor of the motives of those who are most anxious to see it adopted.

FEDERAL AID TO EDUCATION

Mr. CLARK. Mr. President, under date of July 22, 1957, the President's Committee on Education Beyond the High School presented its second report to the President. I regret that, for reasons which have not been made very clear, the President did not choose to release the report to the press until the day after the House of Representatives voted down the Federal-aid-to-education bill. Nevertheless, we now have available copies of this highly significant report.

The membership of the President's Committee includes some of our most eminent and most conservative leaders of business and allied groups. The Chairman is Mr. Devereux C. Josephs, chairman of the board of the New York Life Insurance Co., and a director of J. P. Morgan & Co. He is a fine, outstanding citizen.

Other members of the committee are Crawford H. Greenewalt, president of E. I. du Pont de Nemours & Co., Inc.; and Roy E. Larsen, president of Time, Inc.

I cite those three names to prove that this is no "crackpot" committee of what are sometimes referred to as leftwing

longhairs. This is a committee of conservative men who have the future of our educational system deeply at heart.

The report states, in part, that the gap between this Nation's educational needs and its educational effort is widening ominously.

It states further that America would be heedless if she closed her eyes to the dramatic strides being taken by the Soviet Union in post-high-school education, particularly in the development of scientists, engineers, and technicians.

The report further states that America would be inexcusably blind if she failed to see that the challenge of the next 20 years will require leaders not only in science and engineering, as well as in business and industry, but in government and politics, in foreign affairs and diplomacy, and in education and civil affairs.

The report further points out that our colleges and universities are expected by the American public to perform something close to a miracle in the next 10 to 15 years; also that our institutions of higher learning are in no shape today to meet the challenge. Their resources are already strained; their quality standards are even now in jeopardy; and their projected plans fall far short of the indicated need.

I have had prepared from the report a memorandum outlining the most striking conclusions and comments of the President's Committee. I ask unanimous consent that the memorandum be printed at this point as a part of my remarks.

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

THE PRESIDENT'S COMMITTEE ON EDUCATION BEYOND THE HIGH SCHOOL—SECOND REPORT TO THE PRESIDENT

Revolutionary changes are occurring in American education of which even yet we are only dimly aware.

The gap between this Nation's educational needs and its educational effort is widening ominously.

America would be heedless if she closed her eyes to the dramatic strides being taken by the Soviet Union in post-high-school education, particularly in the development of scientists, engineers, and technicians. She would be inexcusably blind if she failed to see that the challenge of the next 20 years will require leaders, not only in science and engineering and in business and industry but in government and politics, in foreign affairs and diplomacy, in education and civic affairs. A responsible exercise of our Nation's role in world leadership also requires a broadened citizen interest in and understanding of foreign relations and world affairs.

World peace and the survival of mankind may well depend on the way in which we educate the citizens and leaders of tomorrow.

We have become a society of students. More than 40 million of us are enrolled in formal education programs.

The committee is acutely aware that the strength of education beyond the high school depends heavily upon the strength of our elementary and secondary schools. Much of what is said in this report, therefore, concerning the needs of higher education applies with equal force to the lower echelons of education.

Our colleges and universities are expected by the American public to perform something close to a miracle in the next 10 to 15 years to provide education of a continually improving quality to a far larger number of students—at least 6 million by 1970 compared to 3 million now. The sharp rise in births which began in the 1940's and which has already overcrowded the schools will shortly begin to strike the colleges. Meantime, with the college-age group in our population at its lowest point in 25 years, enrollments in higher education are at the highest level in history because a steadily increasing proportion of young people are going to college.

Our institutions of higher learning are in no shape today to meet the challenge. Their resources are already strained; their quality standards are even now in jeopardy, and their projected plans fall far short of the indicated need.

But these difficulties are not so great that they cannot be overcome by the American people if they set themselves to the task.

However, our colleges and universities must operate within the limits of the economic and educational resources available to them.

Colleges and universities are presently spending a little over $3 billion a year on educating students and on physical facilities—about three-quarters of 1 percent of the gross national product.

To pay adequate faculty salaries and accommodate twice as many students—would require something like a trebling of the current level of expenditures. With greater efficiency this requirement can undoubtedly be reduced, but even then it will call by 1970 for half again the present percentage of the gross national product devoted to higher education.

Even if this many dollars were available, it is doubtful that enough top-quality teachers could be obtained to maintain present student-teacher ratios.

Thus, if the United States is to become increasingly a society of students it must also become increasingly a society of teachers. Ways must be found to harness into the service of education a far larger number and variety of people, organized around a highly skilled group of professional teaching and administrative personnel.

The quantity of students and the quality of education cannot rise together unless basic educational resources also rise with sufficient speed. The American people must be willing to devote a significantly greater proportion of the Nation's rising income to higher education. The public's decision must be expressed in terms of greatly increased financial support for colleges and universities.

The coming years will require greater public understanding and support, a strong and sustained effort to enlarge and improve higher education, a burst of imaginative experimentation and many changes in our conventional educational practices—changes comparable to the technological revolutions in industry and agriculture.

TEACHERS, THE TOP PRIORITY

The most critical bottleneck to the expansion and improvement of education in the United States is the mounting shortage of excellent teachers. Demand for high quality manpower have everywhere been mounting, but colleges and universities have found themselves at a growing competitive disadvantage in the professional manpower market.

Our Nation, like the prodigal farmer, is consuming the seed corn needed for future harvests. The ultimate result could be disaster.

Salaries must be raised to restore teaching to a competitive position in the professional labor market comparable to that which it occupied before World War II would require an average increase in faculty salaries of something like 75 to 80 percent. And to maintain this position, once restored, would probably require by 1970 an average rise of 100 to 125 percent above present faculty salary levels.

The plain fact is that the college teachers of the United States, through their inadequate salaries, are subsidizing the education of students, and in some cases the luxuries of their families, by an amount which is more than double the grand total of alumni gifts, corporate gifts, and endowment income of all colleges and universities combined. This is tantamount to the largest scholarship program in world history, but certainly not one calculated to advance education. Unless this condition is corrected forthwith the quality of American higher education will decline. No student and no institution can hope to escape the consequences.

EXPANDING EDUCATIONAL OPPORTUNITY

Each year some 200,000 of the ablest young people fail to carry their education beyond high school due to lack of motivation, proper guidance or financial resources or to discriminatory barriers.

Closing the door of educational opportunity to any young person because of race, creed, origin, or sex is manifestly intolerable under the democratic principles upon which the United States is founded, and the committee urges every American, as a matter of high moral obligation, to work toward the abolition of such barriers wherever they exist.

The committee estimates that at least 50 percent of all high-school graduates could benefit from some type of formal education beyond the high school. The proper policy for the Nation in the coming decade is to balance increased support of colleges with a steady strengthening of student-aid programs, giving priority to students of highest ability. Such student aid should take a variety of forms: loans, jobs, and direct scholarship grants.

The committee [also] recommends that the Federal revenue laws be revised, with appropriate safeguards, in ways which will permit deductions or credits on income tax returns by students, their parents or others who contribute to meeting the expenditures necessarily incurred in obtaining formal education beyond high school; and, further, that provisions be included which will grant proportionately greater tax benefits to those least able to afford those expenditures.

Help through scholarships is presently grossly inadequate. The total available—roughly $60 million per year—is about one-tenth of what would be required to provide, say, a $750 scholarship for 4 years to some 200,000 of the ablest and neediest high-school graduates annually.

The committee is encouraged by the marked recent expansion of scholarships supported by private foundations, corporations, labor unions, service clubs, individuals, and by State and local governments. There is need for much further expansion, both at the graduate and undergraduate level. If these programs should later prove to be inadequate, the committee believes a Federal scholarship program to fill the gap is inevitable. Right now, however, it seems likely that the Federal Government can help most in other directions.

PROBLEMS OF FINANCING HIGHER EDUCATION

The committee believes that State governments, and in many cases local governments, can and should increase substantially their financial support of higher education. The committee also recognizes, however, that some of the present forms of Federal support must also be continued and certain new forms provided. In the competition for State dollars, education is presently at a severe disadvantage in relation to such other claimants as hospitals and highways for which the Federal Government matches State appropriations at attractive ratios.

The committee recommends that a new program be developed of Federal grants-in-aid on a matching basis, through procedures similar to those in the Hill-Burton hospital program, to assist both public and private nonprofit institutions of higher education to construct needed non-income-producing facilities.

The Federal revenue laws [should] be revised in ways which will even more strongly encourage larger contributions from more individuals to private and public nonprofit higher education institutions.

TOOLING UP THE FEDERAL GOVERNMENT

Over the last 100 years many Federal programs have evolved ranging from the land-grant college program in Lincoln's day to the more recent GI bill of rights, National Science Foundation programs, international education programs, public-health fellowships, and a host of others.

There is little evidence that any of these has led to undue Federal interference.

Post-high-school education is local in fact and national in its consequences. In this respect it does not differ from agriculture or commerce or industry. The farmers and the businessmen are much better served by their Government, nor would they tolerate the deficiencies in informational and planning assistance that are experienced by the educational community—which includes all citizens: Educators, students, parents, and employers.

The United States Office of Education is underfinanced, understaffed and inadequately organized to carry out all of its important responsibilities. [There is] an astounding lack of accurate, consistent, and up-to-date facts, and this Nation knows [little] about its enormously vital and expensive educational enterprise in contrast to how much it knows, in great detail, about agriculture, industry, labor, banking, and other areas. We speak not of those difficult facts about education which can only be dug out by painstaking research but of those which are as susceptible to prompt and regularized reporting as steel output in Pittsburgh, potato prices in Maine, bricklayers' wages in Houston, hogs slaughtered in Chicago, and bank loans in San Francisco, all of which are reliably reported every month or every week by various Federal agencies. Until the gross deficiencies in educational reporting are remedied, all advisory work, all research, all educational planning throughout the country and all efforts by individual States, communities, and institutions to devise effective actions will be severely handicapped.

The committee therefore recommends that the Office of Education give its priority attention to developing plans for an efficient factfinding and reporting service, using the most advanced technique already in common use in other fields of national interest, with the aim of supplying the Nation with a continuing flow of reliable and up-to-date information about conditions and trends in education; and we urge that such plans, including the estimated cost of carrying them out, be completed in time for presentation to Congress in 1958.

The committee [also] urgently recommends that the President authorize and direct the Secretary of Health, Education, and Welfare to develop for his consideration specific proposals on the best means for assuring (1) that such planning, evaluating, and coordinating responsibilities will be carried out; (2) that there will be a continuous and orderly review and development of the national and intragovernmental aspects of education, by means which involve laymen and educators from outside the Government; and (3) that the American people will be regularly informed of important trends, prospects and the overall state of education in this country.

In the light of the serious national and international problems that require the United States to be educated to its full capacity, the occasional appointment of temporary committees is inadequate to deal with the needs for national leadership and coordinated Federal activity in the field of post-high-school education. The committee believes that permanent machinery should be created, with provision for broadly representative lay and professional advisers, to keep under continuous scrutiny all Federal programs affecting education beyond the high school and to advise the President and the heads of appropriate Federal agencies with respect thereto.

Mr. CLARK. Naturally, the part of the report which will be of greatest interest to Members of the Senate is that dealing with the field of Federal aid to education. The report states—as appears at greater length in the memorandum just made a part of the RECORD—that some forms of Federal support must be continued, and certain new forms provided.

The report points out that over the past 100 years many Federal programs have evolved, ranging from the land-grant college program in Lincoln's day to the more recent GI bill of rights.

It states that the United States Office of Education is underfinanced, understaffed, and inadequately organized to carry out all of its important responsibilities.

The report further points out our great need of adequately trained and properly paid teachers. In my judgment, State and local governments are going to be unable to provide the practically doubling of salaries which will be necessary in the next 10 years in order to insure the obtaining of properly trained and qualified teachers.

We have had before the Senate during the entire session important bills dealing with the problem of Federal aid to education. I regret very much that it has not been possible even to have hearings on those bills before the Committee on Labor and Public Welfare. I hope some of my colleagues will take note of the situation, and that when we return in January an earnest effort will be made to bring out of committee and put through the Senate an adequate Federal-aid-to-education bill which will show our awareness of the importance of this subject.

SALES OF SURPLUS PROPERTY

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a report compiled by the General Services Administration showing the net proceeds received from the sale of surplus property in the United States which amount was deposited in the United States Treasury.

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

GENERAL SERVICES ADMINISTRATION,
Washington, D. C., July 11, 1957.

Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR WILLIAMS: There is enclosed, as requested in your letter of June 21, 1957, statement reflecting net proceeds from the sale of surplus property in the United States which were deposited in the United States Treasury for the periods indicated.

Sincerely yours,
FRANKLIN G. FLOETE,
Administrator.

Schedule of net proceeds, sale of surplus property in the United States deposited with United States Treasury

July 1, 1945, to June 30, 1946	$524,125,583.39
July 1, 1946, to June 30, 1947	1,097,557,715.79
July 1, 1947, to June 30, 1948	624,694,503.91
July 1, 1948, to June 30, 1949	284,263,769.89
July 1, 1949, to June 30, 1950	142,115,287.03
July 1, 1950, to June 30, 1951	135,062,641.32
July 1, 1951, to June 30, 1952	68,440,291.88
July 1, 1952, to June 30, 1953	37,385,224.39
July 1, 1953, to June 30, 1954	51,456,357.62
July 1, 1954, to June 30, 1955	67,472,609.92
July 1, 1955, to June 30, 1956	140,411,451.56
Total	3,172,985,436.70

CONSTRUCTION OF STADIUM IN THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. BIBLE. 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. 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. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on 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, 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 disagreement to the amendments of the Senate numbered 1, 2, and 3; and agree to the same.

ALAN BIBLE,
J. ALLEN FREAR, Jr.,
J. GLENN BEALL,
Managers on the Part of the Senate.

JOHN L. MCMILLAN,
OREN HARRIS,
OLIN E. TEAGUE,
SID SIMPSON,
JOSEPH P. O'HARA,
Managers on the Part of the House.

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. BIBLE. Mr. President, the House has receded from its disagreement to the amendments of the Senate, and agreed to them. Therefore the report is the same as the bill which the Senate passed on August 9, 1957.

Mr. President, I move that the Senate agree to the conference report.

The motion was agreed to.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). 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.

Mr. MANSFIELD. Mr. President, is morning business concluded?

AUTHORIZATION FOR APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed, and the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 2674) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

THE CIVIL-RIGHTS BILL

Mr. JAVITS. Mr. President, I had in mind making a few remarks on the civil-rights bill before the Senate proceeded to the consideration of the unfinished business. Through the kindness of the acting majority leader, even though the unfinished business has been laid before the Senate, I am able to make these remarks.

The civil-rights bill is now before the House of Representatives and normally there would be no occasion for addressing myself to it here, at this time, but there are two points of major difference which compel me to speak now; first, the session is drawing to a close and there is the question as to whether to press for a bill now or to wait until we return; in this question of timing the Senate, too, has a part; and second, when the bill left here it was widely recognized by the majority of those who supported it that it had to be and would be amended in the other body, therefore those who voted "aye" have a direct interest in the bill's progress in the House of Representatives.

Mr. President, we have a rather important and historic question to consider. After 80 years we have progressed to the point where a civil-rights bill may be enacted. It is my deep conviction that the time to do that is now, and that we should stay in session and not adjourn until that is done, and that the amendments which are essential should be accomplished either by House-Senate conference or by direct amendment action in each body, but it definitely should be done at this session and before Congress adjourns.

Mr. President, I have taken great pride in the fact that the passage of a civil-rights bill in the Senate and in the House of Representatives is a triumph of bipartisanship.

I likewise express great concern with respect to any implication that bipartisanship is not being indicated by what the other body is frank enough to do, and that is to stand up for its version of the bill. The other House has a perfect right to express its conviction upon the subject, as it has done, just as this body has a right to do it. I hope that, in the process, we will not obscure and perhaps damage the effort to reach a dearly fought-for objective.

In addition to the opportunity now presented for a bill, our national and international situation demands one. Explosive pressures demanding an end to segregation and discrimination on grounds of color, race, or creed, especially in the South are high. This morning's newspaper reports tell of beatings in a southern State, which recall Ku Klux Klan activities and the kind of violations which we had hoped were certainly out of date in our country.

These pressures have been brought on by the general attitude of the country favoring equality of opportunity for all; by antidiscrimination laws in many States, including my own State, which are compared with practices of segregation in the South; by the Supreme Court's decisions in the public school education, bus, golf course, recreation park, and other cases declaring separate but equal facilities to be an evasion of constitutional guarantees of equal protection of the laws; by the coming of industrialization to large areas of the South, bringing new relationships and changing the social order; and by the opening up of higher education facilities there to Negroes by force of law and otherwise in the last decade. Unless Federal law recognizes and affords legal means for safeguarding civil rights these pressures to obtain them can cause difficulties. The Montgomery bus boycott and the Florida church bombings are both evidences of the dangers.

Internationally, our position of enforced segregation against Negroes in the South is becoming completely untenable. The so-called uncommitted nations still in the Free World with a population of over 1 billion who are yellow or black will simply not abide go-slow processes which maintain segregation and discrimination on grounds of color in our own country. The international stakes in peace and success in the fight against communism are just too high to jeopardize by condoning practices which lag decades behind the onward march of our country.

I deeply believe that the parliamentary and political situations are so exactly balanced that there is a real inducement for all concerned to have a civil-rights bill now and that it can be obtained. The determination expressed both in the Senate and House of Representatives on key votes like those to make the civil-rights bill the pending business in the Senate and against the jury-trial amendment in the House demonstrate that some achievement can be recorded now. There has been a most extended and great debate on the civil-rights issue. People are thinking about it now and have an opinion. The time to act is now rather than later, when the issue may have been diverted into some other channel or when public interest has either slackened off or become the subject of really violent controversy. I see a better chance for completing action on a bill now than in 1958.

This brings us to the final question of the need for amendment of the Senate passed bill. There is no question about the fact that the bill has a practically fatal legal defect. It makes the jury trial in criminal contempt cases applicable to a minimum of 28 and a maximum estimated as high as 40 Federal statutes in cases resulting from equity decrees where the United States is the party complainant, thereby drastically changing existing law. It also limits punishment in such cases for individuals to a maximum of $1,000 fine or 6 months in prison. Application of these provisions to the Federal antitrust laws, security laws, Fair Labor Standards Act, National Labor Relations Act, Clayton Act, and other Federal statutes. The large economic interests involved in such cases compared to the maximum limits of punishment contained in the jury-trial amendment and the complexities of the situation which would have to be presented to juries could well bring about a breakdown in law enforcement. Indeed, the Department of Justice is strongly opposed to these provisions for those reasons.

It has been argued, for example, in respect to the antitrust laws that if we do not like the jury-trial amendment and there is a criminal contempt committed, a new antitrust suit could always be started. That is hardly the answer. It is hard and costly to obtain an antitrust decree in the first place, and finally to accomplish nothing seems to me to be a complete frustration for the Federal Government in such cases.

The argument that there have been relatively few such criminal contempt cases in enforcement of these statutes is invalid. First, there is the deterrent power of effective law enforcement. But even more because there is no reason for stretching a civil-rights bill to deal with situations it was never designed to meet just because we are too inflexible to turn out a measure which does not wreak havoc with other laws we have not really considered or desire to affect. For example, consider the limitation of $1,000 on the fine imposed by this amendment for criminal contempt proceedings resulting from the violation of an antitrust decree. The Department of Justice has given three instances where fines in such cases were many times the $1,000 limitation proposed within the last few years:

First. *United States* v. *J. Myer Schine et al.* (WDNY, Crim. No. 6279–C, decided Dec. 27, 1956).

Second. *United States* v. *Gamewell* (95 F. Supp. 9).

Third, *United States* v. *Western Pennsylvania Sand and Gravel Association et al.* (Crim. No. 13855, WD Pa.).

Also there is a glaring inconsistency between the maximum fine for violation of the antitrust law, the Sherman Act, which Congress made 50 times this $1,000 figure when in 1955 it increased

the maximum fine under the Sherman Act from $5,000 to $50,000.

That is 50 times the $1,000 fine contained in the jury-trial amendment; yet we are saying that for violating an antitrust decree the punishment shall be one-fiftieth of what it is for violating an antitrust law. I think that is ridiculous. It makes no sense to me.

It is certainly no answer to say that where an antitrust decree has been violated, instead of a criminal contempt the Government has the option of bringing a new antitrust case. This would mean that antitrust decrees so hard and so costly to come by for the Government accomplish nothing. Also often the violation of an antitrust decree which provides for permanent acts to undo a wrong which has been done in stifling competition would not of itself constitute violation of the antitrust law. In such a case, a defendant guilty of criminal contempt would be subjected to a slap on wrist if this joint amendment went through with only a $1,000 fine in sight.

There is no question about the need for an effective bill to safeguard voting rights, and to attain an effective bill would mark a real step forward.

There is and has been major denial of both voting rights to Negroes in Southern States, and particularly in the Deep South, and it is going on right now. The controversy regarding the systematic denial of voting opportunities to Negroes residing around Tuskegee Institute, coupled with the gerrymandering of the whole area, when at long last the white light of publicity threatened to get them the vote in Tuskegee, itself is current and strong proof of these assertions. There, by gerrymandering a whole area around the city of Tuskegee, the right to vote has been denied to the most educated kind of Negroes, those who work or attend Tuskegee Institute.

Indeed, the Governor of a neighboring State, Mississippi, makes no bones about it. His statements have been widely referred to in the debate here. On June 21, 1957, he is reported in the State Times, of Jackson, Miss., to have said:

> I do not think Negroes are ready to vote in Mississippi at this time.

The record is replete with other examples. They range from the systematic striking from the voting registry of some thousands of Negroes in Louisiana parishes in the 1956 election, and resultant refusal of the grand jury there to indict under Federal statutes, to a whole catalog of subterfuges and strategems to deprive Negroes of the right to vote in Alabama, Mississippi, Georgia, South Carolina, Florida, and other Southern States. Indeed, we have seen the development of the antibarratry statutes in the States of Georgia, South Carolina, Mississippi, Virginia, and Tennessee, and still spreading, with a design to cut off a person whose civil rights are endangered from suing on his own behalf, through denying him the help of other persons or organizations in the litigation. For the facts in regard to that development, we are deeply indebted to the Senator from Illinois [Mr. DOUGLAS]. Those facts show how an ironlike vise was being clamped upon many of the people, by the denial of the opportunity to enforce civil rights, including voting rights, in the States which have passed those laws.

All of us have spoken far less in anger than in sadness about these matters. I entirely approve of the tone of the debate which took place, and I agree that it was constructive. But the facts necessarily remain; and what is sought is the enactment of legislation in answer to the facts.

So, Mr. President, although the tone throughout the debate has been properly objective and dispassionate, nevertheless we should not be blinded by that to the intensity of the need for the enactment of the legislation proposed.

However, the bill as passed by the Senate does not even safeguard voting rights; that is the case by virtue of the jury-trial amendment. I believe that the other body, which voted down the jury-trial amendment, has a perfect right to endeavor to work out some compromise in that situation. The other body does not simply have to take it or leave it. I do not consider that the standard of taking it or leaving it is the proper measure of whether one is devoted to civil rights or whether one is not devoted to civil rights. I think a valid position can be taken on either side.

But, Mr. President, self-respect and the fact that the other body acted in a way very different from the way the Senate acted, should allow for some compromise in this situation.

I myself believe that the area of compromise in respect to the jury-trial amendment, even when it relates only to voting rights, extends as far as the following: I believe the jury-trial amendment should be made applicable only and exclusively to third parties, who are not parties to a suit, but who have interfered with the court's decree; and it should not be made applicable to local election officials who have a wide discretion under their State laws. I maintain that the injunction decrees issued by the Federal courts will have to go along with the State laws, if they are to be valid; and that the avoidances and stratagems already practiced to deny Negroes their voting rights show what we may expect in this field, especially with officials acting under the color of State authority, and with the full backing of their home communities, in denying the voting right, which has been so successfully denied for generations in so many places.

Therefore, Mr. President, I believe that a proper agreement would have to confine the jury-trial amendment to third parties who are not parties to the decree, but who conspire to defeat the carrying out of the decree, rather than to have the jury trial applied to election officials themselves.

Second, assuming that some area of agreement can be found in order to limit the application of the jury-trial provision, assuming it applies in the case of this act alone, in the way I have just described in respect to the parties, there should also be an amendment to part III, which has been completely stricken from the Senate version of the bill, notwithstanding its inclusion in full in the version of the bill passed by the other body. The Senate version makes no provision for the whole body of civil rights, other than voting rights, beyond what is the law today, except that they will be investigated by the Commission to be established under the bill. This is so under the version of the bill passed by the Senate, even where there is a request from the duly constituted governmental body which may seek the intercession of the Attorney General—that is the famous Hoxie case—or when the Commission authorized by the bill may itself request the Attorney General to enter into a particular situation. That is not covered by the bill.

When we consider the very elemental rights—such as the right to serve upon a jury, the right to have a fair trial, and, generally, the right not to be intimidated or coerced in pursuing one's civil rights as an American citizen—rights which were sought to be protected by what was part III—I believe that at the very least we should look with favor upon some compromise to allow a demand that the Attorney General intercede, when a constituted governmental body or when the Civil Rights Commission to be established under the bill is involved, or where there is a conspiracy by individuals who seek to defeat the action of a local governmental body, which is in line with the amendment proposed by my friend and colleague, the Senator from Kentucky [Mr. COOPER].

Mr. President, the bill as passed by the House of Representatives did not establish any new civil rights. It only provided a means for the enforcement of existing civil rights, because the existing methods—prosecution for crimes, suit for damages by the individual aggrieved, and suit for injunction by the same individuals—had been found inadequate. As a matter of self-respect on the part of the Congress itself, and in response to the case built up before the Congressional committees and in the Congressional debates for the safeguarding of these other rights, in addition to voting rights, the House of Representatives cannot be asked to forgo them, to forgo the action it took, merely because all of us want to go home by August 24.

If it is at all possible, we also need, in this connection, to find a way to deal with the provisions of section 102 (g) of the bill, which some news media believe may subject them to criminal penalties for the disclosure of information about any executive-session testimony before the Civil Rights Commission which is created by the bill. This may prove difficult, inasmuch as both bodies voted for the inclusion of the same language; but it should be tried, if it is at all possible, so that the bill may be as nearly complete as possible.

Mr. President, I should like to commend the distinguished majority leader, who, I notice, yesterday made a statement that an effort would be made, by means of a joint resolution, as soon as the bill became law—in whatever form the bill became law—to deal with that question, which is disquieting to the news media.

Finally, Mr. President, for the reasons I have stated, I believe a Senate-House conference on the civil-rights bill or the adoption of the needed amendments by other procedures which are available to the friends of civil rights in the other

body, to be essential; second, that we should remain here until this work is completed and until the bill is finally passed and is signed into law; and, third, I express the hope and the expectation that all who are devoted to civil rights will not divert their time and energies to calling others who are equally devoted to civil rights, names, regardless of their party, or to impugning their good faith.

I have a deep conviction that the coalition which passed the bill in this body and which passed the bill in the other body will bring about the enactment of a civil-rights law, if it is permitted to remain intact.

I shall use my best efforts in that respect, in all deference, in the spirit of cooperation and the willingness to distribute the credit and commendation which have characterized the debate in this body, in endeavoring to see to it that we stand together at this time, before the session ends, in producing a civil-rights bill.

Mr. BUSH. Mr. President, will the Senator from New York yield?

Mr. JAVITS. Mr. President, I yield first to my colleague, the Senator from Illinois [Mr. DOUGLAS], if the Senator from Connecticut will permit me to do so. The Senator has been a great leader in this fight.

Mr. DOUGLAS. Mr. President, I wish to commend the Senator from New York for a very excellent suggestion which I think constitutes a minimum basis upon which an acceptable civil-rights bill can be passed by both Houses.

As the Members of this body know, both the Senator from New York and I—as well as most other longtime supporters of civil rights—greatly prefer the version of the bill which came to the Senate from the House of Representatives, as compared to the obviously weakened version of the bill which was passed by the Senate.

The House bill provided for preventive relief against the denial of other important constitutional rights besides voting rights. It supported the historic decisions of the Supreme Court with a moderate new legal remedy. It avoided the obstruction of a jury trial in contempt proceedings where such trials have never had a proper place.

Now efforts are being made to compel the House of Representatives to accept the watered-down Senate version of the bill; and it is said that if the House does not do so, that will be an indication that the House is lacking in the spirit of cooperation and is lacking in the desire to have an effective civil-rights bill passed. In other words, it is being held out to the Congress and to the country that those who oppose the Senate version of the civil-rights bill are obstructionists.

Mr. President, I do not think that is true. I believe that the Senate should not compel, or try to compel, the House of Representatives to accept the Senate version of the bill as it now stands. The House of Representatives registered its feelings on this matter by very large votes. It beat down, by large majorities, the jury-trial amendments which were offered. It passed the bill with a meaningful part III to protect many constitutional rights by a better than 2 to 1 vote.

The two Houses are coordinate in importance. It seems to me that if there is to be a meeting of the minds, if there is to be an attempt by reasonable men—men with equal legislative responsibilities—to make an adjustment, it must be reached by a process of mutual give and take.

Thus far in the debate and the votes the process of give and take has been one in which, essentially, the friends of civil rights have given and the opponents of civil rights have taken. But in my judgment, in any fair exchange there should be concessions from the Senate, in addition to the concessions which are being demanded of the House of Representatives.

The Senator from New York [Mr. JAVITS] has made a very interesting proposal, which I believe is a minimum. He is proposing, first, that the jury-trial amendment provisions be confined to voting-rights cases under this bill, instead of applying across the board to approximately 38 statutes, as is now the case under the Senate version of the bill.

In the second place, the Senator from New York is proposing that instead of completely eliminating the substance of part III of the bill—as is done by the Senate version of the bill—it be partially restored, namely, that the Attorney General be permitted to file suits for preventive relief in cases where his help is requested by a local governmental authority or by a State which is being obstructed in granting equal protection of the laws. This is the Hoxie, Ark., case.

Those suggestions are fully in line with, although they do not go nearly so far as, the provisions of the bill as passed by the House of Representatives, because the House version of the bill gave the Attorney General the power to intervene, not merely when he was requested to do so by local authorities, but also when requested by private citizens, and, third, upon the initiative of the Attorney General himself.

The Senator from New York is proposing to strip this down to its bare minimum, namely, to permit the Attorney General to intervene by filing a suit for an injunction when he is requested by a local authority—for example, when a school board wishes to abide by the law, as declared by the Supreme Court, and to integrate, but when either mob violence is preventing it or when an action on the part of the State itself is contrary to the action contemplated by the local group.

It seems to me that this is the minimum basis upon which a settlement should be made. It represents a very substantial concession from the House bill, which bill we consider essential and far to be preferred. I think that with this very statesmanlike offer on the part of the Senator from New York, a great responsibility is thrown upon the leaders of both parties in the House of Representatives and in the Senate to deal with this matter on the basis of what is clearly needed to maintain constitutional rights and human dignity, and not merely on the basis of negotiations dominated by repeated threats of a Senate filibuster.

Groups which turn down this proposal, I think, can very properly be regarded as not cooperating in the attempt to secure the passage of a meaningful civil-rights bill.

To justify a weak and ineffective compromise, some recite the old adage that "politics is the art of the possible."

In this situation I believe it is more accurate to state that the politics of obstruction to civil rights is the art of making the good seem impossible.

The Senator from New York throughout the debate has shown great statesmanship and admirable public spirit. I wish to commend him and pledge my support, for whatever it is worth, in the effort he is making.

Mr. JAVITS. I desire to add one other specification to those named by the Senator from Illinois, namely that I am proposing that the jury-trial amendment be applicable only to third parties interfering with the decree, and not be applicable to election officials who are the direct parties to the decree.

I thank the Senator from Illinois. Again may I say if the same spirit which has been shown by him—and I am glad to hear him say it has been shown by me—prevails, and party recriminations are avoided, which we have avoided up to now, but of which I begin to hear whisperings, we will succeed in resisting the pressures, as we have been successful in doing up to now.

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

Mr. JAVITS. I yield to the Senator from Connecticut, and may I say to him he has been a stalwart fighter in this struggle. I think the fight he has put up will long be remembered in our country.

Mr. BUSH. I thank the Senator for his overly generous and I think somewhat undeserved comments about me. I have listened to what the Senator has said, and I should like to observe that in recent days we have seen extraordinary pressures being exerted upon the House of Representatives to accept the crippled civil-rights bill which a strange coalition among Democrats forced upon the Senate.

These pressures demonstrate that the radical wing of the Democratic Party may be more interested in political prestige and power, and in patching up the split within their party, than in giving effective protection to the voting rights and other civil rights of millions of Americans.

This campaign for a watered down civil-rights bill apparently resulted from a secret meeting in Room F-41 of the Capitol, which was reported in this week's Time magazine. Among those attending the meeting were Vice Chairman Joseph Rauh, Jr., of Americans for Democratic Action, and spokesman for Walter Reuther and James Carey of the CIO.

At this meeting, representatives of organizations long interested in civil rights were persuaded to retreat from their former positions and endorse the

weak Senate bill. Time comments, appropriately, that such a retreat "would have been called betrayal short months ago."

It is a matter of regret to many of us who have fought for a strong civil-rights bill that Roy Wilkins, executive secretary of the National Association for the Advancement of Colored People, and others genuinely interested in effective legislation have been misled by this calculated political maneuver.

I hope that the House of Representatives will continue to resist these political pressures and send the bill to conference.

I thank the Senator from New York for yielding to me.

Once again I want to say how much I have admired the tenacity and sagacity with which he has dealt with this serious and important problem over the period of the past few weeks.

Mr. President, I ask unanimous consent that an editorial from the Hartford Courant of August 15, 1957, be printed in the RECORD at the conclusion of the remarks I have just made.

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

THE POLITICAL QUESTION OF HALF A LOAF

Is half a loaf better than none? This is the question of civil rights. The legislation that now lies in the hands of the House, awaiting conference and agreement, perhaps compromise, is not satisfactory. It does not guarantee the right to vote with the full force of the Government. It opens ways for continued evasion of the Constitution by the South, so that Negroes may be denied full civil rights.

At this point, it looks as if the President will veto the bill if it should reach him in its present form. Some Republicans, including Minority Leader JOSEPH MARTIN, prefer no measure to the one the Senate passed. It has widespread ramifications. If the jury trial is interposed between a judge and the execution of his orders in criminal cases, it may have a serious effect on antitrust cases, and the handling of matters by quasi-judicial agencies.

Because the bill is the first step forward in 80 years on the matter of civil rights, others are more willing to accept what it has to offer. A Commission on Civil Rights, such as the bill establishes, could bring out a more solid basis for future action, they argue. A new Assistant Attorney General would have more power to act. And the bill recognizes the constitutional rights of a Negro to vote, while providing some tools to help them do so, in the words of organizations that have basically accepted the measure.

No one prefers a campaign issue to progress on civil rights, and the American public will generally agree with President Eisenhower that a person's constitutional rights should not be bartered against the national security, as some have suggested in proposing a deal on foreign aid. For the time being, the southern bloc has succeeded in hindering the march of progress, with the aid of such northern Democratic Senators as JOHN O. PASTORE, of Rhode Island, and JOHN F. KENNEDY, of Massachusetts. But the House, which passed a strong measure originally, will more truly represent the temper of the American people if it insists upon the strongest practicable measure in the search for a compromise that lies ahead.

Mr. CASE of New Jersey. Mr. President, will the Senator from New York yield?

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

Mr. CASE of New Jersey. I want to express my appreciation to the Senator from New York and to the Senators who have joined with him in this colloquy. It was very necessary to have said at the present time what he has said.

I should like to make this point. Perhaps it has not seemed this way to anybody else, but to me it has seemed exceedingly strange that throughout the whole effort to secure civil-rights legislation, so many persons connected with the Congress and so many observers of the Congress have had a tendency to regard the effort either as politically motivated or as a kind of game of wits.

Mr. President, I should like to point out that neither one of those attitudes, in my judgment, in any way represents the issues or the basic situation here involved.

Those of us who have been pressing this fight feel more deeply than we can say that we are dealing with the greatest moral issue of our times. The effort is not something to be represented as a sporting event, where maneuvering and jockeying are applauded, where cynical deals are regarded as smart, and all kinds of trades can be made to gain a point.

What is at stake is the question of whether the United States of America lives up to its basic ideals, to the ideals that are ours because of our history, including the tradition of equality, which is the basis of American society, the reason, and the only reason, why we have been able to prove that a democracy can exist in this complex modern world. We are dealing with the most conspicuous instance where we have failed, and in a crucial way, to live up to our ideals.

We should cease looking at this struggle either as having a base political motivation or as a kind of game. Not only is the moral issue paramount, Mr. President, but the whole question of the position of our country in the world today, its leadership in the present fight against communism, its leadership even if communism were not an issue, the issue of eventual survival of decency and the kind of civilized life for which we stand, are also at stake. This is not a laughing matter. This is not to be treated as a kind of performance for the amusement of the people of the country.

Mr. President, there has been too much of that kind of attitude. I, for one, and I know those who have supported this effort on the floor will join me completely, want to protest against that kind of attitude, and, if we can, attempt to change to the right one, the reflection that is given of this effort to the people of the United States.

We who have been supporting the fight do not think we are holier than anyone else. We believe that, fortunately for us, we are in a position where we are not hampered by the kind of restrictions which are hampering others, through no fault of their own, but, nevertheless, they are very hampering restrictions indeed. So it is up to us to do our best to bring about an improvement in this situation, not in any "holier than thou" sense at all, but in an attempt to be really helpful, which attitude I think has marked our course throughout the whole civil-rights debate.

There was no partisanship on the part of those who favored the legislation—none whatsoever. I venture to say, and I think he will agree, that the Senator from Illinois [Mr. DOUGLAS], for example, never at any time has been uncomfortable about the association we have had in this effort.

Any attempt to bring about partisanship has not come from either party, but from those who have attempted to debase our effort because they are opposed to any attempt to bring about a solution of the problem.

We do not take an adamant position, for any reason. In the present situation I firmly believe there should be a reasonable compromise between the bill as passed by the House and the bill as passed by the Senate. We do not believe such a compromise involves a surrender by one body of Congress to the other, whether it be the Senate to the House, or the House to the Senate. We do not believe any of us should be obliged to act under a threat, which is always just below the surface, of tying up the Senate and the House for an indefinite period on a civil-rights bill. The effort to force action under such a threat is not based upon a moral position. Such an effort is unjustified, and should have no effect whatever on our efforts to reach a reasonable compromise.

It is the duty of the Senate and of the House to attempt to compromise on some measure which is half way between the positions already taken by the two bodies. It is our duty under the Constitution to do this, because it is our duty to legislate, and particularly to legislate with reference to this field under the 15th amendment to the Constitution of the United States, which involves the protection of voting rights of American citizens.

The suggestions made by the Senator from New York for such a compromise certainly deserve the utmost consideration. They are intelligent, reasonable suggestions.

So far as the positions of the Senate and of the House are concerned, his suggestions certainly come nearer to meeting the position of the Senate than the position taken by the House. This fact should demonstrate there is no spirit on the part of proponents of civil rights of all or nothing. The all-or-nothing position is taken by the other side.

Mr. President, I suggest that it is about time the American people be given the picture in its correct light and be told that we are dealing with a great moral issue. We are dealing with an issue deeply affecting the welfare of the Nation at the present time in relation to world affairs, its security, its position in history, and its survival.

I thank the Senator from New York for giving us the opportunity to express what we all deeply feel on this issue. I am sure he has made it more possible to bring about a resolution of the sort we ought to reach.

Mr. JAVITS. I thank my colleague, the Senator from New Jersey.

Mr. President, I should like to identify myself with the expression of moral

indignation which has been voiced. There has been too little moral indignation evinced in the entire civil rights debate. Somehow or other we have not made plain to the American people that a great moral issue is involved, and that those of us who are contending for civil rights are fighting for the conscience of our own country and the conscience of our own people.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New York yield; and if so, to whom?

Mr. JAVITS. Mr. President, I yield to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, I commend the Senator from New York [Mr. JAVITS] for his statement, and I also commend the statements made by the Senator from Illinois [Mr. DOUGLAS], the Senator from Connecticut [Mr. BUSH], and the Senator from New Jersey [Mr. CASE].

As I have said before, I believe all of us will agree that the debate on the civil-rights bill and the deliberations in the Senate were on a very high level. It was also a thorough debate.

For, at the time the bill came before the Senate for action there was a demand, I think a very rightful demand, from those who opposed the bill, and also those who supported the bill, that the House bill should be very thoroughly considered. And, out of its full consideration there developed in the country a larger appreciation of the purposes of the bill, and its scope. I respected the role of the Senator from Georgia [Mr. RUSSELL] in this matter.

There was no disagreement on the part of those who favored a civil-rights bill that there should be such full consideration and debate.

The bill, as amended by the Senate, has now gone to the House of Representatives. It seems to me unusual that it is now urged that the House should not have its opportunity to examine thoroughly, discuss, and consider the bill which was passed by the Senate. It seems to me that this is the least consideration which can be accorded the House; indeed, it is the right of the House.

I may say it is rather ironical that some of those who urged a thorough debate in the Senate do not now believe opportunity for consideration should be accorded to the House on the bill which was passed by the Senate.

It is also ironical that those who fought for an effective civil-rights bill should now be charged as obstructionists. And, if Representatives who supported a more effective bill now join a political chorus, that indeed is surprising and disappointing. I believe that the millions of our fellow citizens who have suffered a deprivation of rights do not feel the same way.

It is ironical that those who did not want a civil-rights bill of any kind should now be characterized as the producers of a bill. I say it is those who insisted on a bill affirmatively who made it, possible.

I do not desire to resort to partisanship in this matter, because I think the question is above partisanship. I simply urge that a reasonable opportunity be given to the House—indeed, to both Chambers—to consider the bill, to see if it is possible to develop a measure which might be more effective and acceptable to both Houses.

The suggestions made by the Senator from New York are reasonable, and deserve the thought and consideration of both the House and the Senate.

It may be, indeed I recognize, that after such consideration there may be no change. If there should be no change, and if the bill should return to the Senate in the form of a conference report, or should be accepted by the House in the form in which it passed the Senate, I am one who believes that the President should sign the bill and it should become the law. I think it does mark an advance in the whole field of civil rights.

I join with the Senator from New York, the Senator from Illinois, the Senator from New Jersey, the Senator from Connecticut, and other Senators who have spoken, in asserting that it seems to me this matter should be brought into proper focus, and that there should be an opportunity to determine whether the Senate bill is the bill which both the House and the Senate really desire as the expression of their views on civil rights.

Mr. JAVITS. Mr. President, I thank my colleague, the Senator from Kentucky, for his excellent contribution.

Mr. President, what has been said boils down to one point: Do we have a unity of effort which will carry through to the time when the bill has been signed, or have we each fractionalized our efforts in the respective Houses, and will we now, by impugning the motives of those who are fighting for what one of the Houses has passed, make an effort to destroy the whole which has now been created?

I deeply appreciate the conviction and moral indignation which have been expressed by my colleagues, and the fact that there is a concerted body of opinion here which is eminently reasonable but which will nevertheless continue the fight until an effective result is achieved.

Mr. HUMPHREY. Mr. President, I understand the Senator from New Mexico has the floor. Will the Senator from New Mexico yield to me?

Mr. ANDERSON. Mr. President, it is my understanding that the Senator from Minnesota desires to make a somewhat more extended statement than other Senators have made, and I ask unanimous consent that I may yield to the Senator from Minnesota for that purpose without losing my right to the floor.

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

Mr. HUMPHREY. Mr. President, first of all I wish to commend the Senator from New York [Mr. JAVITS] for his fine presentation today, as well as for his genuine sincerity in the forwarding of effective civil-rights legislation.

I wish to commend the other Senators who have joined with the Senator from New York—the Senator from New Jersey, the Senator from Kentucky, the Senator from Illinois, and the Senator from Connecticut—for the words they have spoken on behalf of an effective civil-rights program.

I should like to offer one or two observations, Mr. President, relating to this very important matter. Civil rights for all the American people, and the protection of those rights, is indeed a great moral issue. It is indeed a great international issue, in that our civil rights should be protected so that the American people and their Government can participate in the area of international politics with clean hands. All of this is a matter of fact.

I feel, however, that in discussing the civil-rights question at this rather late hour we must keep in mind what it is possible for us to attain. I firmly advocate that part III of the bill, which was deleted by the Senate, be restored in some part—a very limited type of restoration, to be sure—as described by the Senator from New York. This suggestion has been already proposed to the leadership in both Houses.

I personally went to the leadership during the past week with the proposal that a compromise involving a modification of part III of the bill, and a limitation of the jury-trial amendment to voting cases be entered into between the two Houses. I regret to say that I did not receive too much encouragement, but that does not mean that one should not take a stand in behalf of what is a legitimate and fair offer toward obtaining a compromise on civil-rights legislation.

The point I wish to emphasize is we must admit that, after all the struggle over the civil-rights bill in the Senate, knowing full well that those of us who were for the bill as it came over from the House lost much of what we sought to hold, there is still a good deal left in the bill.

I was impressed by an editorial in the Washington Post of Tuesday, August 13, entitled "Accentuate the Positive." I suggest to my friends on behalf of civil rights that we start accentuating the positive. Certainly it would be wonderful if we could have enacted the civil-rights bill as it came from the House. As I have previously stated, that bill was a very moderate bill in the beginning. Several years ago, when Mr. Truman was President of the United States, we considered that degree of civil rights to be the irreducible minimum. I must say most respectfully that we had little or no cooperation from the majority on either side of the aisle to pass such a bill. I put both sides of the aisle on the spot. There was no majority on either side of the aisle, even for that minimum legislation.

But even with that minimum of proposed legislation reduced, there is something to it that needs to be accentuated. As I have said before, this is the first civil-rights bill in some 80 years that has passed both Houses of the Congress. It has not been too difficult to pass anti-poll-tax bills or antilynching bills in the House. That has been done in other Congresses, but they always died in the Senate.

At long last we were able to pass a bill in the Senate which included within

it a Civil Rights Commission with subpena power. It included a Civil Rights Commission not only with the power of subpena, but the power to go into court to seek enforcement of its orders.

We were also able to obtain a provision for the creation of an Assistant Attorney General to enforce the civil-rights statutes. There are many civil-rights statutes in the public laws of the country which have not been enforced.

I have heard the Attorney General say, for example, that one of the reasons he did not prosecute voting cases, or cases involving the abridgement of voting rights, was that he felt he could not obtain convictions. That is his feeling; but the only way to find out whether it is possible to obtain convictions is to try to obtain them. With an Assistant Attorney General authorized and directed by the Congress of the United States to protect civil rights and to enforce the civil-rights statutes, I submit that at least the spotlight of public attention will be upon civil-rights statutes and civil-rights protections.

Finally, there are the voting-rights provisions in the bill. We should not underestimate the importance of having more than 70 Members of the United States Senate going on record for the protection of voting rights, as guaranteed by the 15th amendment to the Constitution. For the first time the Congress of the United States, in both bodies, has said unequivocally, with overwhelming majorities, that the voting rights of citizens are to be protected; that no interference is to be tolerated; no coercion, no violence, and no intimidation whatsoever are to be tolerated.

I repeat what has been said by learned lawyers. A Federal judge who has the will to protect voting rights can do it under the civil prosecutions procedures provided for in the voting-rights section of the bill. The use of the injunctive power in a civil suit can be effective.

Some have said, "Well, what happens when the time runs out, under a civil-contempt procedure?" I will tell the Senate what can happen. If the judge feels that there has been a violation of voting rights, he can impound the ballot boxes. There are many things judges can do and will do.

Furthermore, I think it is wrong to assume that a jury trial in a civil-contempt proceeding will necessarily result in the exoneration of those who are guilty. It may result in the exoneration of some, but I do not think it will result in the exoneration of very many.

So the United States Senate should accentuate the positive. I have waited for years for civil-rights legislation; but I am not going to kill the baby because it does not happen to be the cutest one in the nursery. This child may not be perfection. It may have its imperfections, but it is our child; and some of us have waited a long time for the breath of life to come to what we call civil-rights legislation.

So I plead with the leaders in both Houses to do what I suggested a week ago. If there seems to be a peculiar reason why there cannot be a regular conference committee, let us have an informal conference committee. I plead with the leadership in the other body and the leadership in this body to seek ways and means of coming to an agreement informally. If they can come to an agreement informally, it can be formalized through the Rules Committee of the other body, by an agreement to recede and concur with amendments, and the amendments can be drafted in advance. Thus we shall get a civil-rights bill.

I thank the Senator from Kentucky [Mr. COOPER] for what he said in reference to the President signing the civil-rights bill. He said very appropriately that even if the bill was only what the Senate passed, with some modifications, he wanted the President to sign it. I am sure that is the view of all of those who have worked in behalf of civil rights.

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

Mr. HUMPHREY. I yield.

The PRESIDING OFFICER. The Senator from New Mexico [Mr. ANDERSON] has the floor.

Mr. HUMPHREY. May we complete the continuity of this colloquy?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from New York?

Mr. ANDERSON. I had yielded to the Senator from Minnesota. I have no objection to yielding to the Senator from New York.

Mr. JAVITS. Mr. President, I think the Senator from Minnesota has been one of the great leaders in this fight. He was a leader long before I came to this body. I think he came to the Senate before I became a Member of the other body.

We should not confuse the issue and lose sight of the great leadership and the accomplishments. I think we are agreed on certain points. Let me say to the Senator from Minnesota that if the bill passes both Houses with the jury trial amendment trimmed down so as to confine it to voting rights cases, and if the other House will accept that version, and that is the very best that can be done, I, too, will be in favor of the President signing it.

However, the point which the Senator from Minnesota is precipitating, and the point I wish to precipitate, is that the fight is not over. The other body has acted decisively. There is no question that in the Senate we lost very materially, but that is no reason why we should discourage Members of the other body, where the fight was won, by calling them retreatists or obstructionists, in an effort to discourage them from fighting for what they want in the House.

Mr. HUMPHREY. Mr. President, the Senator's speech was in the best of taste, and constructive. I again commend him.

Mr. President, I ask unanimous consent that the editorial to which I have referred may be printed in the RECORD at this point as a part of my remarks. It relates to what I consider to be the accomplishments thus far in the fight for civil-rights legislation.

There being no objection, the editorial was 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 acquiescence 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.

Mr. COOPER. Mr. President, I address my remarks to the statement made

by the Senator from Minnesota, referring to a statement which I had previously made today, that whatever may be the final action of the House and Senate, I hope the President will sign the bill.

I do not withdraw from what I said previously. There is an obligation to support sufficient consideration by the House. But upon the point of whether the bill passed represents an advance, I take the position that it is an advance. At the time the jury-trial amendment was being considered, I made it clear that my opposition to it was not based upon the argument used by some other Senators who opposed it.

Some of those opposed the jury-trial amendment on the ground that juries would not convict. I said in the debate that even if some juries did not convict, I was confident that, on the whole, juries would do their duty and, on the whole, would find verdicts on the law and the facts in any area of the country. My opposition was based on the principle that in equitable cases there was no constitutional or statutory right to jury trial where the United States is a party and there never has been such a right, but there were sound reasons for such a rule.

I wish to make another point upon which I believe I can speak with some personal knowledge. It may be that those who live in sections of the country outside the Southern States or the border State in which I live will not understand this point. There is a great respect in those States, as I know from my experience in my own State, for the authority and dignity of a United States court; and if the United States enters a case as the plaintiff, as would be true under part V of the bill, to enforce voting rights, its intervention would carry great weight upon public opinion, much greater, in my view, than if the plaintiff were an individual, and, in addition, the United States, as plaintiff, would have much wider scope for action and greater resources than any individual or group of individuals. The very fact that the United States is a party in issues which involve voting rights is alone of great influence and importance. I believe it will have its effect in leading opinion among people of those areas. I know something of the feelings of the people of those areas and their response to situations in which the United States is the plaintiff in an action.

Mr. HUMPHREY. I thank the Senator from Kentucky. I merely wish to conclude on this note. I was somewhat dismayed by comments relating to the organizations which have been supporting civil-rights legislation. The Senator from Connecticut felt that these organizations had retreated. I know of no organizations which have been more effective in promoting civil rights than has the National Association for the Advancement of Colored People. There is a no more stalwart champion of civil rights than Roy Wilkins, the head of the NAACP. The members of the great labor organizations of our country who have been steadfast in behalf of civil-rights legislation are not sunshine patriots.

If these organizations feel that some adjustment or some compromise can be worked out, and at the same time make a worthy advance in the field of civil rights, we should herald them rather than criticize them. These organizations are demonstrating what I would call political maturity. It is one thing for a handful of us to want more than we can get, but it is another thing for those who have grave responsibility to their people to be willing to find out what they can get, and then get it.

I have fought for many a lost cause in the Senate—I say lost only in terms of votes—and I will continue to fight for my own convictions, and not worry too much about whether I will get a majority on an issue. I submit on an issue such as civil rights, if the great organizations which have carried the banner of civil rights and civil liberties for decades are willing to make adjustments and compromises in order to secure some progress, the least we can do, those of us who are in the political arena, is to give them support and give them comfort and give them the kind of assistance they seek at this particular hour.

I now turn to another subject.

The PRESIDING OFFICER (Mr. CASE of New Jersey in the chair). The Senator from Minnesota has the floor.

THE SCHOOL-CONSTRUCTION BILL

Mr. HUMPHREY. Mr. President, I share a feeling of distress with many millions of American parents that the school-construction bill failed to pass the House of Representatives this session, despite the high hopes which we had that the President would lend the great prestige and weight of his office to the passage of the bill.

Instead, we saw only lukewarm and belated support by the President for his own bill, after all the magnificent promises of the much advertised White House Conference on Education. Again, the mountain has labored and brought forth a mouse.

Lest American parents be misled as to just what happened to their school bill this year, I wish to call their attention to a brief and direct letter on the subject addressed to the editor of the Minneapolis Morning Tribune by the able Congressman from the Fourth District of Minnesota, EUGENE J. MCCARTHY.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter from Representative MCCARTHY dated August 14, 1957.

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

AUGUST 14, 1957.

EDITOR,
Minneapolis Morning Tribune,
Minneapolis, Minn.

DEAR SIR: I have just finished reading your editorial in the Minneapolis Morning Tribune of Friday, August 2, entitled "Why Blame Eisenhower?"

If you wish to excuse the President for his lack of enthusiastic leadership for the bill which was reported by the Education and Labor Committee, I suggest that you read carefully the CONGRESSIONAL RECORD on this debate.

At the time that the motion was made to strike the enacting clause, and thus defeat the bill, the House was considering a substitute offered by Congressman AYRES of Ohio. This substitute, according to Mr. AYRES' statement, was the Eisenhower program. Spokesmen for the Democrats in the debate announced that the Democrats were willing to accept this bill as a substitute. At this point the motion to strike the enacting clause was made and was, as you know, supported by a strong majority of the Republicans.

It is correct, as you say, that it was the Congress, not the President which killed the school-aid bill and within the Congress itself, it was a coalition of Republicans and southern Democrats. The President stood almost passively by while Republicans voted against the bill which he had vaguely endorsed and while they voted against further consideration of the Ayres bill which the President was for, and which contained the formula which the Republicans said, and the President said, in the last campaign was a necessary condition for the approval of a school-construction bill.

Sincerely yours,

EUGENE J. MCCARTHY,
Member of Congress.

THE WEST'S ACHILLES' HEEL

Mr. HUMPHREY. Mr. President, ever since the start of this year I have been endeavoring to focus public attention upon the urgency of developing sounder public policies for the utilization of one of our great national assets—our ability to produce food and fiber in abundance.

Because I was convinced that our abundance of food and fiber was a tremendous asset, rather than the liability it has often been made to appear, I have carefully studied how this abundance can best be used to serve our national interests.

That study has included personal observations on a trip abroad, plus detailed hearings over which I presided for the Senate Committee on Agriculture for an inquiry into operations of Public Law 480, the Agricultural Trade Development and Assistance Act.

The study is continuing, as I believe it is performing a useful service. It is my hope to have a comprehensive review and report ready for the Congress early in the new year, containing quite a few recommendations.

Meanwhile, I have been endeavoring to call attention, from time to time, to situations developing out of the hearings that I feel require more immediate attention.

That is my purpose today.

Previously in remarks to the Senate I have called attention to some of the testimony before our hearings concerning how food and fiber have bolstered our foreign policy, and how it can be constructively used to further our objectives abroad.

I am convinced these hearings have shown what a tremendous asset our abundance can be in supporting our foreign-aid policy, and in supplementing our foreign economic policy. Now I am also convinced that the food abundance some have criticized so much as an unwanted surplus may be necessary to plug a dangerous gap in our defense structure.

Despite all of our own abundance, lack of food reserves where they will be needed most, at the time they will be needed, may be a seriously weak link in the chain of defenses being forged by the free world.

Military capabilities of our allies depend upon their resources, and an important and fundamental resource is food. In studies made by our own Defense Department, it was found, for example, that in Western Europe the degree of self-sufficiency of food is less than two-thirds.

Yet whether our allies know it or not, the Department of Defense does not currently plan for the maintenance of food pipelines through submarine hazards for the support of allies abroad who are food deficit countries.

In other words, under present defense planning, the allies upon whom we are depending to man critical lines of defense in event of all-out war—and to whom we are sending millions upon millions of dollars' worth of guns, tanks, and planes, to help them carry out that mission—have no assurance of being able to get enough to eat to survive, let alone keep fighting.

Unless adequate stockpiles of food reserves are created and maintained in strategic defense areas of the world, our entire vast investment in the defense structure for the Western World will be left with a vulnerable flaw, a weak link that could prove disastrous.

From the security point of view, the Department of Defense has favored the use of United States agricultural surpluses for the establishment of food stockpiles in the United Kingdom and the NATO countries of Europe.

I mentioned this situation once before after I had talked with Admiral Briscoe, the commander of the southern flank of NATO. He told me that he was distressed and concerned that we had not made adequate preparations for the stockpiling of food supplies at the underbelly or southern flank of NATO. While I cannot reveal the number of days of food reserves he said were available in that area, including Turkey, Greece, and Italy, three of our firm allies, I can say that the number of days of food supply was so limited that it was nothing sort of shocking, when we consider the amount of money we put into national security and military alliances.

The Department of Defense wrote classified letters to this effect to the National Security Resources Board in 1950, to the Office of Defense Mobilization in 1953, with copies to the Secretaries of State and Agriculture, and to the Department of State in 1955.

Yet we still do not have any stockpiles abroad.

And the Department of Defense, in response to direct questions confirms that it does not plan on being able to keep food pipelines open to Europe in event of all-out war, to the extent needed for support of our allies. All of its present planning is simply on the basis of getting food to our own troops—an objective which, of course, must come first.

But if we are planning on troops of other countries doing much of the fighting, we must be as concerned about their having adequate food as we are about them having adequate munitions.

How are our allied forces expected to eat? How are they expected to fight if they have not enough to eat?

I am glad to know that our Defense Department is concerned about this; I am sorry our Department of State and Department of Agriculture have not seemed to be enough concerned about it.

The Defense Department informs me that the United States supported establishing such stockpiles at a NATO meeting in January. It is my understanding that the United States representative at that time offered to discuss the possibility of making surpluses available to any NATO country undertaking a food stockpiling program, but added that our country could not pay such costs as transport, processing, and warehousing.

It has been apparently on that point that efforts to establish NATO defense stockpiles of food and fiber have bogged down.

I regret to say we seem to be using rather limited thinking in this respect, and to be invoking some kind of a double standard.

We manage to find ways to transport guns and munitions to our allies. If we try, we can find ways to transport food.

It is not merely a case of saddling new costs upon the United States.

At about the same time the NATO food stockpile plan was stalemated over how to finance construction of storage facilities abroad, our country presented a proposal to the U. N. General Assembly in New York calling for international cooperation toward establishment and maintenance of national food reserves against emergencies, and won approval of a resolution favoring further steps toward that objective. It was my privilege to present that proposal to the U. N. In presenting it, I was authorized to offer, on behalf of the United States, contributions of food both to stock such reserves and to help finance building storage facilities.

It appears to me a simple solution is available to this question of NATO stockpiles. Our Defense Department wants such stockpiles, and says they are urgently needed.

In response to direct questions, the Defense Department says:

> If emergency food stockpiles were established abroad in food deficit areas, such as the United Kingdom and Western European countries, it would ease the shipping problem of the allies. This, in turn, would ease the shipping problems of the Department of Defense. * * * The Department of Defense feels that the United States should assist foreign countries in stockpiling by making some of its agricultural surpluses available to them.

What our negotiators seem to have overlooked, however, is that our food abundance cannot only stock such emergency depots, but can also finance the building of them.

If we make grants of food for this purpose under Public Law 480 or other legislation, quantities beyond the actual amount needed for the reserves can be sold for the currency of the country concerned to finance building of storage facilities.

That is what we offered to do in the U. N. for general emergency reserves; we should certainly be able to do it for specific defense reserves.

This is not a surplus disposal program; it is a defense program. Providing food for defense purposes is needed just as much as providing guns. We pay the bill for guns; we as a Nation can pay whatever it costs to provide the food, and not expect it to be charged to the farmer alone. In other words, the charge for food used should be a charge against our defense support program, and not a charge against the Department of Agriculture.

But the bookkeeping complications are minor difficulties that can be worked out if there is a will to do so. The important thing is to back up our allies with defense stockpiles of food.

We need action in that direction without further delay.

On my own, as part of my continuing studies, I have asked a recognized authority in food storage to investigate some of the problems that may be involved. He is doing this as a public service now on a tour of Europe—at non-Government expense.

The least our own Government can do is to undertake immediately its own comprehensive study of this situation by the Defense, State, and Agriculture Departments, looking to earliest negotiations with other countries regarding means of establishing such stockpiles.

The Defense Department has indicated it would welcome such a study. They should have the utmost cooperation from the Department of Agriculture. In fact, the Department of Agriculture should be putting the pressure on the rest of our Government to get this done.

Here is not only an opportunity to put our food abundance to good use—it is an urgent need that should be met even if we had to produce more food to do it.

I sincerely regret that our Department of Agriculture has had so little vision toward exploring these and other ways where the products from our farms can serve our Nation usefully, instead of devoting so much time to complaining about the abundance our farmers produce.

Mr. President, because I believe this is a subject we must pursue in greater detail, I am sure my colleagues will want to know what the Defense Department has had to say on this subject.

For that reason, I ask unanimous consent, Mr. President, to have printed in the RECORD at the conclusion of my remarks the answers provided by the Department of Defense to a number of specific questions posed by me in connection with our hearings. I commend them to the attention of all Senators.

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

> 1. Question: What attention is given by the Department of Defense to making sure they have enough food, as well as guns, to support a major military effort?
>
> Mobilization reserves of food supplies for the use of military forces are established under guidelines given by the Joint Chiefs of Staff which pertain to the strategic plans in the event of war. These plans are definitive

with respect to the phasing of forces under arms, of deployment of forces, and to specific geographical areas. By use of such guidelines, subsistence reserves have been established in such quantities and at such worldwide locations, with backup in continental United States depots, to provide an uninterrupted supply of food to our Armed Forces in overseas locations for that period until normal resupply can be resumed.

The Department of Defense does not plan for the establishment of reserve rations for use by military forces after the resumption of normal supply. Instead, the Department of Agriculture has advised Defense that the production potential of the United States is such that it can meet any reasonable demand for food for the military services, including food for civilians working for the military in occupied areas; such provision has not considered all the assumptions of nuclear attack upon the United States.

2. Question: (a) Have you established minimum levels of food and fiber reserves necessary for the Nation's security? (b) Have you separate levels for cold war conditions and full mobilization? (c) Have you informed the Department of Agriculture of these requirements? (During World War II and the Korein conflict, the Department of Defense had to call on Agriculture to increase production to meet needs. What steps have been taken to make sure you have enough, if a new crisis develops?)

(a) The Department of Defense has established reserves of packaged operational rations, as mentioned already. With respect to fibers, military mobilization reserves have been established within the Department of Defense for woolen textiles and for duck and webbing. However, the national stockpile, which is maintained by the Office of Defense Mobilization, contains reserves of fibers considered essential for total civilian and military mobilization. These fibers are manila, sisal, extra long staple cotton, and cartridge silk. The Department of Defense, in addition, maintains mobilization reserves of clothing and equipage items for the military forces. These items are manufactured from textiles.

(b) The Department of Defense maintains reserve levels for the military forces for full mobilization only. It is planned, as in the past, that the garrison-type ration will be served during a cold war period. That portion of the mobilization reserves which must be rotated because of age will be availabel to meet that requirement for packaged operational rations for training maneuvers during a cold war, such as at present.

(c) The Defense Department has submitted its full mobilizataion requirements for food for the military forces to the Department of Agriculture. With respect to fibers, full mobilization requirements have been submitteed to the Office of Defense Mobilization covering manila, sisal, extra long staple cotton, cartridge silk, and wool.

3. Question: (a) Has the Department of Defense made a similar study of food needs of our allies upon whom it depends and is helping? (b) Have you analyzed food availability, for example, of countries to which you are extending military support? (c) How do you expect those countries to fight without adequate food?

(a) The Department of Defense, along with other agencies, has analyzed the food needs of our allies.

(b) The military capabilities of our allies depend upon their resources. An important and fundamental resource is food. In the studies that have been made it was found, for example, that in Western Europe the degree of self-sufficiency in food is less than two-thirds. The food needs of our allies is a first and basic consideration in determining the kind and extent of support which the United States supplies. This may be illustrated in the United States support of Greece, where in addition to supplying substantial quantities of food, the United States supplied agricultural prerequisites, such as farm machinery, in order that the country might derive a balanced and viable economy in order to support military components. Food availability has a high priority in the support of our allies.

(c) Concern for an adequate supply for our allies accounts for the Department's advocacy of stockpiling by NATO countries since 1950. As indicated elsewhere, this has also been the United States position as expressed in several NATO meetings. The most recent suggestion of this nature was in January 1957, when the United States representative to a NATO meeting stated that if any NATO country, in undertaking a food stockpiling program, believed that United States surplus foodstuffs could be used in its program, the United States would be willing to discuss the possibility of making surpluses available, but that his country could not pay such costs as transport, processing, and warehousing. However, foreign countries have generally indicated that they would expect the United States to pay for most of the cost of establishing and maintaining any strategic food reserves of this nature.

4. Question: (a) If our allies abroad are already food deficit countries, have Defense logistics experts considered the problem of maintaining food pipelines to them through submarine hazards? (b) How would food shipments rate in priority with other defense shipping in an emergency?

(a) The Department of Defense does not currently plan for the maintenance of food pipelines through submarine hazards for the support of allies abroad who are food-deficit countries. The Department of Defense estimates the gross amount of shipping required to support the United States Armed Forces and United States civilians in foreign countries under full mobilization conditions, and includes a factor in this gross amount as its best estimate of losses from submarine action.

(b) Food shipments in support of American forces rate a high priority in comparison with other defense shipping in an emergency.

5. Question: (a) Would it ease the shipping problem confronting Defense, in the event of war, if we had emergency food reserve depots established in key areas of the world—either our own, or in the hands of our allies? (b) Do you think we should provide such food stockpiles as part of our defense picture?

(a) If emergency food stockpiles were established abroad in food deficit areas, such as the United Kingdom and Western European countries, it would ease the shipping problem of the allies. This, in turn, would ease the shipping problem of the Department of Defense.

(b) The Department of Defense feels that the United States should assist foreign countries in stockpiling food by making some of its agricultural surpluses available to them. As stated previously, the United States has informed the NATO countries that it would be willing to discuss the possibility of making its surpluses available for stockpiling, but that it could not pay such costs as transport, processing, and warehousing.

6. Question: (a) At the United Nations, our State Department went on record supporting a proposal for international cooperation toward establishing national food reserves in food deficit areas of the world, offering to provide United States commodities to help finance storage facilities and provide the basic reserve supply. Would Defense be interested in having this done? (b) Has anyone in Defense ever said to the Department of Agriculture, Department of State, or the President of the United States, his attitudes toward this problem? (c) Has Defense actually given any serious study to this entire problem? (d) Do you feel it should?

(a) The Department of Defense would be interested in the proposal to establish national food reserves in food deficit areas of the free world, using United States surplus commodities to help provide the basic reserve supply and help finance storage facilities. Defense would be interested in having this done as soon as feasible, where the security of the United States would be strengthened.

(b) From the security point of view, the Department of Defense has favored the use of United States agricultural surpluses for the establishment of food stockpiles in the United Kingdom and the NATO countries of Europe since 1950. The Department of Defense wrote classified letters to this effect to the National Security Resources Board in 1950, to the Office of Defense Mobilization in 1953 (with copies to the Secretaries of State and Agriculture), and to the Department of State in 1955. It is felt that the position of the Department of Defense on this subject is fairly well known to the cognizant Government agencies.

(c) As members of interagency committees Defense representatives consider that they have given substantial study to the stockpiling of United States agricultural surpluses abroad.

(d) Defense believes that study should be given to this problem and has encouraged such study and is ready to aid in any way feasible.

7. Question. Don't you think Public Law 480 offers an opportunity to create such stockpiles for our security program? Such as NATO, for example?

The Department of Defense considers that Public Law 480 offers, at least, an opportunity to create food stockpiles for our security program with individual NATO countries. All Public Law 480 agreements are sugject to negotiation, but in spite of several invitations to do so, feasible stockpile programs have not been proposed by any country. It might be noted that even without the complications of stockpiling, it has not been feasible to negotiate any substantial Public Law 480 program with some of our strong allies of Western Europe, which is a substantial area of deficit food production. The problem of storage, rotation, processing, and guarding has consistently been a major factor in negotiating agreements for stockpiling.

8. Question. Would it require more dollars to be budgeted for Department of Defense purposes if Public Law 480 currencies were not available for many of the common defense projects now carried on?

To answer this question it is necessary to separate the budget for the Department of Defense military functions from the budget for the Department of Defense military assistance programs.

The military functions budget would not necessarily have to be increased if 104 (c) funds were not available to the Department of Defense. Since all other Public Law 480 currencies are paid for with appropriated funds, the question does not apply. The programs for which 104 (c) funds have been used to date have been those that can be accelerated from the completion date previously planned. The acceleration has been justified on the basis of the importance of the program for common defense and has been determined to meet the spirit of the provisions of Public Law 480. An example of such a program is the acceleration of competition date of the Army mapping program in Peru.

The military-assistance program was complemented by Public Law 480, 104 (c) funds used in the form of defense support. The largest recipients of this type program to date have been Pakistan and Korea. Dollars

for other programs would have to be diverted or separately budgeted if surplus commodity funds were not available. In other words, funds from the Public Law 480 operations give flexibility to the mutual-security program.

9. Question: Why does not the Department of Defense make greater use of the funds available to it under Public Law 480?

The Department of Defense feels that it does make maximum use of Public Law 480 funds and as expeditiously as possible. All Public Law 480 currencies except those available under 104 (c) for common defense, are purchased from the Treasury Department with appropriated dollars. By Treasury regulation, the Department of Defense purchases its local currency needs from Treasury when Treasury has the needed currencies available. Through this procedure, the Department of Defense makes maximum and timely use of Treasury-held local currencies inclusive of Public Law 480 currencies.

Programs funded under 104 (c) are presented to the Bureau of the Budget with complete justification for the funding request, and funds are allocated by the Bureau of the Budget if the program is considered justified. This procedure applies to both Department of Defense military functions and military-assistance programs.

10. Question: What are some of the Department of Defense's planned uses of Public Law 480 funds in the next fiscal year? Two years? Five years?

The Department of Defense of necessity must formulate and justify its total budget requirements without regard to source of funds. As the programs are reviewed and evaluated by the Congress the ultimate magnitude of the programs are approved by the Congress. Appropriations to implement these programs cannot be based upon currencies anticipated from Public Law 480 sales that may be negotiated in areas where defense may or may not have requirements. Therefore, the Department of Defense does not program the use of Public Law 480 funds in advance. However, the Department of Defense will continue to make maximum use of Public Law 480 currencies to meet its requirements.

IMPORT TAX ON LEAD AND ZINC

Mr. MURRAY. Mr. President, the Senate Finance Committee this morning favorably reported a bill providing for an import tax on lead and zinc. I congratulate the committee on the forward step to rescue the lead-zinc industry from complete disaster. Not only will the enactment of this proposed legislation be of benefit to our domestic producers, but it will also be of great help to friendly foreign nations that produce these metals.

Consider Canada, for instance. Her exports to the United States of lead and zinc in 1956 netted her $89 million in American dollars. However, with the disastrous decline in prices whic! has occurred in 1957, Canada would net only $67 million. But if she had exported 85 percent of the 1956 amount and if unneeded imports had not broken the United States market below the proposed peril points of 17 cents for lead and 14½ cents for zinc—and thus Canada would not have paid any duty whatsoever—Canada would have received $86 million. The same is true for Mexico, Peru, and Australia. By exporting United States needs and by not breaking the price in the best market these countries have, based on 85 percent of 1956 imports, these four countries would receive $57 million more, for their lead and zinc, than they would receive at today's prices. Thus, the proposed legislation provides a method for a stable flow of dollars for needed imports to enter free of any duty, but at the same time provides an adequate safeguard in the form of an import tax, should unneeded imports break the United States market price.

It seems inconceivable that these friendly nations would permit United States brokers and sales agents having little or no stake in United States industry to ruin the United States market, and thus severely impair these nations' position for a better foreign exchange.

Those who are throwing up a smoke screen to cloud the real intent of the proposed legislation are doing a real injustice not only to the United States industry and workers, but, particularly, also to countries such as Canada, Mexico, Peru, and Australia who—if the bill is enacted—will be in a far better position for foreign exchange than they are today.

Also the proposed legislation for lead and zinc would not establish a new precedent, for it follows the pattern of the import tax tied to a peril-point price, for copper, which has been in effect since 1951. It is worthy of note that United States copper prices have not been broken by imports below the peril point; and, as a result, friendly foreign nations of the Western Hemisphere have been able to maintain their flow of foreign exchange for imported copper free of payment of the import tax. The same would be true for lead and zinc, under the proposed legislation.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a table setting forth the advantages which foreign producers of lead and zinc would receive under this proposed legislation.

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

The following calculation on lead-zinc foreign exchange indicates that a 15-percent reduction in imports from Canada, Mexico, Peru, and Australia, when sold at peril-point prices, will provide a stable flow of dollars as compared with the $57 million reduction already in effect in 1957.

	1956			1956 imports at 1957 prices			85 percent of 1956 imports at peril point prices		
	Short tons	1956 price (less duty)	United States market value	Short tons	July 1957 prices (less duty)	United States market value	Short tons	Peril point prices (no duty)	United States market value
		Cents			*Cents*			*Cents*	
Canada:									
Lead	47,000	14.95	$14,100,000	47,000	12.94	$12,200,000	40,000	17.0	$13,500,000
Zinc	294,000	12.79	75,200,000	294,000	9.30	54,700,000	249,900	14.5	72,500,000
Total			89,300,000			66,900,000			86,000,000
Mexico:									
Lead	81,000	14.95	24,000,000	81,000	12.94	21,000,000	68,800	17.0	23,400,000
Zinc	210,000	12.79	53,700,000	210,000	9.30	39,100,000	178,500	14.5	51,800,000
Total			77,900,000			60,100,000			75,200,000
Peru:									
Lead	88,000	14.95	26,300,000	88,000	12.94	22,800,000	74,800	17.0	25,400,000
Zinc	105,000	12.79	26,900,000	105,000	9.30	19,500,000	89,300	14.5	25,900,000
Total			53,200,000			42,300,000			51,300,000
Australia:									
Lead	112,000	14.95	33,500,000	112,000	12.94	29,000,000	95,200	17.0	32,400,000
Zinc	26,000	12.79	6,700,000	26,000	9.30	4,800,000	22,100	14.5	6,400,000
Total			40,200,000			33,800,000			38,800,000
Grand total			260,600,000			203,100,000			251,300,000

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, 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 amendment of the House to the bill (S. 1747) to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products.

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:

S. 1383. An act amending section 410 of the Interstate Commerce Act, to change the requirements for obtaining a freight forwarder permit; and

S. 1384. An act to revise the definition of contract carrier by motor vehicle as set forth in section 203 (a) (15) of the Interstate Commerce Act, and for other purposes.

AUTHORIZATION OF APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

The Senate resumed the consideration of the bill (S. 2674) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

Mr. ANDERSON obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from New Mexico yield to me, so that I may suggest the absence of a quorum?

Mr. ANDERSON. I yield.

Mr. MANSFIELD. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief 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.

Mr. ANDERSON. Mr. President, today the Senate is taking up S. 2674, the Atomic Energy Commission authorization bill.

On two occasions in the last 2 weeks, my colleagues and I on the Joint Atomic Energy Committee have discussed the scope and issues of the bill now before the Senate.

At the outset, we recognize that the issues are somewhat complicated. So are the bill and the accompanying report. But looking more broadly, we can distinguish what the issues are and what they are not.

Thus, we can say categorically that the issues are not economy or public power. But later we can deal more fully with that point.

The real issues are what should be our rate of progress in the development of atomic power and who should provide the leadership at this stage of development.

The pending bill provides for the authorization of AEC capital facilities for the fiscal year 1958. It, therefore, includes funds for weapons facilities, improvements to production plants, reactor facilities, research facilities, and community facilities.

In total, it provides for $259 million for these facilities. This compares to $319 million authorized last year. So we can see that economy is not a factor.

The bill also authorizes a total of $129,915,000 for the Atomic Energy Commission power-demonstration program which is carried on in cooperation with private industry and private, cooperative, and publicly owned utilities. The bill further authorizes a total program of $149,915,000—or $20 million more—which covers Atomic Energy Commission waiver-of-use charges which it would otherwise require of participants in its program.

Included in this $129 million is $98,415,000 to cover projects initiated and sponsored by AEC, which are to be carried on by rural electric cooperatives and by State and local publicly owned utilities. Since these are AEC projects, launched by, and now being negotiated by AEC, in which the reactors would be owned by AEC and the costs would be subsidized by AEC, how can anyone accuse the Joint Committee of favoring public power by means of what is provided in this bill?

Mr. President, the CONGRESSIONAL RECORD for August 10, 1957, at page 13062, carries a detailed description of these projects. I wish to call attention to the fact that the very first one—and I am happy to see the Senator from Nebraska in the Chamber—is a consumers' public-power district in the State of Nebraska. The negotiations on that contract commenced on April 1, 1955, and they are not yet completed. I think there is a good reason why they are not completed. It is extremely difficult for that very finely managed public-power district, which I think covers the entire State of Nebraska, to proceed with that contract, which requires the investment of $50 million for a reactor alone.

In order to indicate the problem which arises in this industry, let me point out that the originally proposed reactor would have cost in the neighborhood of $25 million. But by the time the Nebraska public-power district was ready to build it and was ready to complete its negotiations with the Atomic Energy Commission, the district found that the cost had increased to $44 million. That figure is shown at one place in the hearings held by the Joint Committee. When the hearings were ended, we got an additional supplemental estimate of $6 million for the reactor for this public-power district in Nebraska, making the total cost of the reactor $50 million.

Mr. President, let us suppose that someone had said, "We will insist upon the strict letter of private initiative. We will demand that this company make its own contract for the reactor and obligate itself to build the reactor at a cost of $25 million." In that event, suppose the district had the $25 million to spend, and suppose it did enter into such a contract. What would the district do when the total bill reached $50 million? In that event, where would the district find the extra capital?

We do not require that of well-financed private utilities. In the case of the Shippingport reactor, which is one of the large-scale reactors, the original estimate was in the neighborhood of $35 million for the reactor. The Government was going to spend another $30 million in research and development. Of the $35 million, the Duquesne Power & Light Co., a private utility, largely owned by the Mellon interests, of Pittsburgh, was to put up $5 million. If the Government had said, "We will give you $30 million and you put up your $5 million; that will be private enterprise," think what that contract would have run into before it was finished. The present estimated cost of that reactor is $55 million. Who would have to pay the extra $20 million? Is there someone who would like to throw that burden upon that private utility and have said, "Private enterprise requires that you lose $20 million pioneering in this field?" No one required that at all. That is why we say it is not unusual.

The Consumers Public Power District in Nebraska, which might be called public power, but which the Senator from Nebraska will agree is well recognized by the people of Nebraska as a great organization which well serves that State, also came to the Atomic Energy Commission. They, too, talked about a reactor which was going to cost $25 million. They found out it was going to cost $50 million. We have not tried to stop the construction of that reactor. There is a difference in treatment, which I shall deal with later. The same stipulation which the Government made with the Duquesne Power & Light Co. as to the cost of the fuel produced by the atomic reactor will be applicable to the Consumers Public Power District of Nebraska, and all the rural electric cooperatives in the United States.

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

Mr. ANDERSON. I yield.

Mr. AIKEN. In the disposal of the power generated at both Shippingport and in Nebraska, is it to be sold at cost? Probably it could not be disposed of at cost at this stage of the game. How is the rate determined?

Mr. ANDERSON. To answer the question of the Senator from Vermont, in the Shippingport instance the contract provides that the steam generated by the nuclear powerplant shall be sold to the Duquesne Power & Light Co. at the normal cost of fuel, and the Government will absorb the difference between 6 or 7 mills and the actual cost. I think power in the Duquesne area costs about 7 or 8 mills.

Mr. AIKEN. Is that contract already entered into?

Mr. ANDERSON. Yes; it is.

Mr. AIKEN. The steam will be sold at cost rather than at prevailing rates?

Mr. ANDERSON. I may say that, as stated in the power costs, the cost of generating the steam will probably be 90 mills when it starts, and the cost will eventually drop to 14 mills; but it will be sold to Duquesne at the comparable cost for other steam generated by coal, natural gas, or oil.

Mr. AIKEN. Do I understand Consumers Public Power District in Nebraska will pay the same rate?

Mr. ANDERSON. It would under the provision which is in the Senate bill. It would not under the House bill as it was finally amended.

In the case of Consumers Public Power District of Nebraska, the transaction is clearly set forth at page 13062 of the RECORD. The Government would pay Consumers Public Power District an amount for preconstruction research and development of $18,165,000. If the Consumers Public Power District has guessed correctly, that cost will have been met. If it has guessed incorrectly, it will have to take the loss, which may run to $10 million or $15 million.

Mr. AIKEN. I was wondering if the Consumers Public Power District of Nebraska could afford to pay the same rates which prevail in the Pennsylvania district.

Mr. ANDERSON. Under the provisions of the Senate bill, not under the House bill, it would have to pay no more for this nuclear-generated power than it pays for other power generated by other systems.

Mr. AIKEN. Both of the plants referred to would be Government owned, would they?

Mr. ANDERSON. The reactor in the Nebraska case, all but $5 million will be paid for by the Government. The reactor at Shippingport is being paid for by the Government. The Government is not paying $5 million of the cost of the reactor at Shippingport, but it will pay the cost at Consumers Public Power District of Nebraska, except for the $5 million.

Mr. AIKEN. Who will own the rest of the facilities in Nebraska?

Mr. ANDERSON. The Nebraska Consumers Public Power District.

Mr. AIKEN. Who will own the rest of the facilities at Shippingport?

Mr. ANDERSON. The Duquesne Power & Light Co. will own the rest of the Shippingport plant.

Mr. AIKEN. But Duquesne Power & Light Co. and Consumers Public Power District of Nebraska will be treated equally?

Mr. ANDERSON. That is correct. The Duquesne Power & Light Co. will then, having paid for the steam at the average cost of all other operations, will have to ask for a rate increase or a decrease in the cost of power which will repay their average cost. That we propose to do for the Consumers Public Power District of Nebraska.

Mr. AIKEN. The average cost, not the sale price?

Mr. ANDERSON. The cost of the fuel moved into their system.

Mr. AIKEN. Does the Government have a yardstick to determine accurately the cost?

Mr. ANDERSON. The Government is going to provide a yardstick at Shippingport. As a matter of fact, when Shippingport was first contemplated, we estimated a cost of $35 million for the nuclear plant. It looked like the power cost would be about 40 or 50 mills. The other day in our hearings—I cannot quote it exactly—we had a new cost estimate of $55 million. If we depreciated it over the short term, as contemplated, it jumped the fuel cost up to 90 mills. That cost will not remain there. As additional units are installed, the cost will go down.

Mr. AIKEN. What is the anticipated life of the Government reactor?

Mr. ANDERSON. I cannot estimate it except to say if there are no new improvements in the nuclear field the Government will probably have all it wants in about 5 years.

Mr. AIKEN. If improvements were not anticipated, we would not be starting these plants, would we?

Mr. ANDERSON. Exactly. I therefore feel as the Shippingport plant operates, we shall find better ways to use new types of rods, which will result in decreased costs. I hope the cost in that type of plant will come down to less than 10 mills.

Mr. AIKEN. How long will it be before the reactor will become obsolete?

Mr. ANDERSON. I think it is safe to say most plants will be obsolete—barring new equipment—the day they are completed.

Mr. AIKEN. How is it the private utilities can afford large investments, even with Government subsidies, to construct plants which may begin to be obsolete the day they are completed?

Mr. ANDERSON. The new plants being built by Commonwealth Edison in Chicago and Consolidated Edison in New York are of a more modern type. They are substantially larger in size. They will, therefore, have economies other plants will lack. For instance, at one of the cooperatives there will be a 22,000 kilowatt plant. There is no possibility that current from it will be very economical; but the Consolidated Edison in New York is going to have one with a capacity of 180,000 kilowatts, which may result in a rate within 7 or 8 mills or, at most, 9 or 10 mills, of that for normal power the day it is completed. They are also gambling on the fact that improvements will be made. By the time the plants are completed and brought into operation, the improvements may further reduce the costs.

Mr. AIKEN. Are the reactors so constructed that improved equipment can probably be placed in the same location?

Mr. ANDERSON. I think so.

Mr. AIKEN. So completely new plants would not have to be built?

Mr. ANDERSON. I think so. For example, there is in the bill a proposal for the construction of a gas-cooled natural uranium reactor. It was discussed by Admiral Rickover, who built the powerplant for the *Nautilus* and the kind being used at Shippingport. If a gas-cooled natural uranium reactor were being used, it might turn out that it was not the finest type in the world, and that costs did not go down as far as they should, and it might be desired to use some degree of enrichment in the rods in the equipment. If that were done, it might bring the costs down. So I hope we are continuing to learn. We are "playing by ear" as we go along. We are improvising a little bit. We all hope, that from the experiments and tests, we shall learn something.

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

Mr. ANDERSON. I yield.

Mr. CURTIS. The Consumers Public Power District project is in what is termed "round 1."

Mr. ANDERSON. It is.

Mr. KUCHEL. Mr. President, may we have order in the Chamber? I cannot hear what the Senator is saying. Will he please speak louder?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CURTIS. A contribution of $5,220,000 by Consumers Public Power District is called for by the committee bill, is it not?

Mr. ANDERSON. The wording of the report is that we would expect to get the same contribution.

Mr. CURTIS. I should like to call the attention of the Senator to page 10 of the Senate committee's report. Then I shall not take any more time. Just prior to the third line from the bottom there appears to be an error in printing. A line is left out. I am aware of it both by reason of the odd wording in the report and the fact that the House committee report has another line in it.

I wonder if the distinguished chairman of the committee, in order to clarify the matter, would care to have item 3 at the bottom of page 10, which runs over to the middle of page 11, printed in the RECORD at this point, because of the error in printing.

Mr. ANDERSON. I ask unanimous consent, Mr. President, that that be done, because of the error in printing. It does leave out the fact that the AEC would also pay for the cost of construction of the reactor, except for the contribution by Consumers Public Power District of $5,220,000. The estimated cost to the AEC is $24,013,000.

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

3. Consumers Public Power District, of Columbus, Nebr., to construct and operate a 75,000 electrical kilowatt sodium graphite power reactor. This proposal is still under negotiation, and as late as July 5, 1957, the Joint Committee was advised by the Commission of a possible $6 million increase in the amount of assistance to be contemplated if a contract should be signed under this proposal. Under the proposal made by Consumers, the AEC would pay all preconstruction research and development costs on a cost-plus-a-fixed-fee basis, with an estimated cost to the AEC of $18,165,000. The AEC would also pay for the cost of construction of the reactor, except for a contribution by Consumers of $5,220,000; estimated cost of construction to the AEC is $24,013,000. The AEC would also contribute up to a ceiling of $8 million toward costs of "unusual maintenance" and expenses during the postconstruction operating period. The AEC would also waive charges for the use of nuclear material for the first 5 years of operation, such waiver having an estimated value of $1,325,000. Although title to the reactor would be in the United States, Consumers would be given a credit for plutonium recovered during fuel reprocessing. It is estimated that approximately 50 kilograms of plutonium should be recovered during fiscal year 1963, involving an estimated credit of $1,500,000.

In summary, total assistance to be provided by the AEC under this proposal can be shown as follows:

Preconstruction research and development (estimated)	$18,165,000
Reactor construction (estimated)	24,013,000
Postconstruction (maximum)	8,000,000
Waiver of fuel-use charges	1,325,000
Total value of AEC assistance (estimated)	51,503,000

Such estimate of funds could run considerably higher under this particular proposal, since there are no ceilings on the costs to be paid by the AEC during the preconstruction and construction phase of the project.

Further details on the first round proposals are set out in the record of the hearings on authorizing legislation.

Mr. CURTIS. I thank the Senator from New Mexico.

Mr. ANDERSON. I appreciate the fact that the Senator noted the error in printing.

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

Mr. ANDERSON. I yield to the Senator from Minnesota.

Mr. THYE. For the past year and a half a cooperative organization to which we normally refer in Minnesota as the Elk River REA Cooperative has been negotiating with the Atomic Energy Commission for a contract. They had practically developed the plan to the stage where there was only a question of the signing of the contract. The REA at Elk River, Minn., had signed the contract.

If the bill now before the Senate shall be enacted, would the contract which has been prepared and worked on for many, many months be in any manner jeopardized? The Atomic Energy Commission was in agreement on the questions involved in the contract. Had it

not been for the consideration of the pending bill, I believe the contract would have been signed and the construction plans would now be underway. Will passage of this bill in any manner jeopardize the Elk River REA contract, which is now in existence and is only awaiting the final signing by the Atomic Energy Commission?

Mr. ANDERSON. I can only say to the Senator from Minnesota that I hope action on the bill by the Senate will expedite the signing of the contract. I think it ought to expedite the signing. It certainly should not delay it.

I base that statement upon the fact that we received a report of the AEC on reactors, relative to the civilian atomic power acceleration program, and we were supplied a chart with that information. As to the second round reactors it is stated:

> Proposals approved by the AEC as the basis for negotiations.

The date of that approval was April 19, 1956. There is no contract up to this date. Every time the negotiations get a little further along something else develops, such as an endeavor to calculate how much the loss in operation is going to be.

If we could easily calculate how much the loss of operation was going to be it would simplify the problem. There is involved a difference between the normal fuel cost and the average cost of atomic fuel. If we could make the computation then a great deal of the misunderstanding would disappear.

I see nothing wrong with the Atomic Energy Commission's proceeding immediately to purchase the machinery which the Elk River Cooperative has decided it needs. As the Senator from Minnesota well knows, the Elk River Cooperative has been blessed with some fine cooperation from the University of Minnesota. They have set up an extremely good project, which I think is as sound as it can be.

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

Mr. ANDERSON. I yield.

Mr. THYE. The REA cooperative in Minnesota has one of the best boards with which any REA could be blessed. They have an excellent and well-qualified manager. When I say excellent I mean exactly that. He is an excellent manager, and is well qualified. He has done a tremendous amount of studying on this project. Because of the good board and good management, they have been endeavoring to aid the Atomic Energy Commission and to aid us in Congress.

Congress appropriated $25 million to be used for research in atomic energy and to explore the uses of atomic energy in the commercial field. The Elk River Co-op immediately came forward and offered its facilities and cooperation. The board of directors realized that if a benefit were to result, it would not accrue only to an individual or a group, but to a great number of people affiliated with the association and that it would be an educational accomplishment for future commercial use. They immediately proceeded to negotiate for a contract.

I will agree with the Senator from New Mexico that every time they got to homeplate, so to speak, and thought "Tomorrow the contract will be signed," another question would arise as to whether the action would be in complete compliance with the law, and therefore there would be further delay. Last winter we thought, "This month will see the contract completely negotiated and signed." Then this bill was introduced. That caused the Comptroller General to raise another question and to take another look at the entire matter, and today the REA is still without a signed contract.

It is the hope and the aspiration of the people of the Northwest area that we can clear this matter up so the contract can be signed. The only remaining deterrent to starting construction of the project is the fact that the Atomic Energy Commission has not affixed its signature to the contract.

I think I have stated the situation correctly.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a resolution adopted by the Elk River Rural Cooperative Power Association under date of July 29.

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

> Whereas after more than 2 years of negotiation a completed prime contract and a completed subcontract have been signed by Rural Cooperative Power Association, American Machine & Foundry and assurance received of approval by the administrator of Rural Electrification Administration; and
>
> Whereas substantial time and expenditure have been made in these negotiations and Rural Cooperative Power Association is satisfied, it is not only amply protected, but that the procedure agreement open will give valuable information in the design and construction of the plant to the association as well as provide a satisfactory and flexible operating agreement; and
>
> Whereas any change of procedure at this date will cause prejudicial delay as well as a strong likelihood of increased costs: Now, therefore, be it
>
> *Resolved,* That it is the unanimous desire of the board of directors of Rural Cooperative Power Association that the authorization by Congress for appropriation covering the second round proposals be in such form as will allow the Atomic Energy Commission to approve both the completed prime and subcontract without change of format of procedure; be it further
>
> *Resolved,* That if the wishes and desire of the board are not recognized in the final authorization bill passed by the joint committee, that an effort be made to amend it on the floor of each House before passage so that any change of format of procedure would not be applicable to the Elk River project; and be it further
>
> *Resolved,* That if such procedure to amend the bill fails, that a further effort be made to amend the bill so that the sale of steam from a Government-owned reactor shall be at rates comparable to what would be paid for interruptible or dump steam from a conventional source and so as to also provide in the operating contract that expenses, in addition to those which would arise from the operation of a conventional plant be paid to the lessee.

Mr. ANDERSON. I hope the problem is as simple as the Senator from Minnesota outlines it, but I am afraid it is not. The introduction of the bill delayed the contract not in the slightest. The original bill carried no language whatever which would have caused the slightest difficulty in proceeding with the contract. However, we had some testimony as to the bill, and that testimony is available in the hearings. The REA was represented. The representative of the REA was asked some questions.

First, I may say to the Senator Mr. Keen testified. He said:

> The rest is coming from money that Wolverine is borrowing or has borrowed from the REA.

The question was asked of Mr. Foreman of the REA as to whether he was going to supply money to wipe out the losses these companies would sustain. Mr. DURHAM said:

> It does not take much of a loss to wipe out the capital structure.

That is true, because the REA co-ops have no capital structure.

Mr. THYE. They have none.

Mr. ANDERSON. Chairman DURHAM said:

> That, of course, would not be endangered, because you expect this loss to come from some other Government funds.

And Mr. Foreman, from the REA, said:

> We will answer the question this way: When the contract comes to the Administrator for final approval, that is what we attempt to approve, a contract which will do exactly the thing that you mention.

What was mentioned was:

> In other words, would it be correct to paraphrase your policy and say that you are willing to make the loans to the association if they can make arrangements that the cost to them will be no more than the cost of operating a conventional plant?

When we found that the parent organization of the REA was tying up this whole transaction and had to, until there was a guaranty that the cost would be no more than the cost of conventional fuel, because there is no capital structure in the REA to take up a loss if there is one, then we had to try to remedy that defect and say that what the AEC had done for the Duquesne Power & Light Co., a private utility, and what the AEC had done as to the sale of power with the West Milton public utility group in New York, and what the AEC had done in the Santa Suzanna project in California it could do for a co-op in Elk River, Minn. That is all there is involved, as I see it, in this whole thing.

We believe if the Duquesne Power & Light Co. can be given a guaranty as to the cost of its fuel, there is no reason why the REA groups, which do not have the capital structure the Duquesne Power & Light Co. has, should not also be given a guaranty as to the cost of fuel.

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

Mr. ANDERSON. I yield further.

Mr. THYE. There is nothing in the bill, is there, which would prevent the Atomic Energy Commission from completing the contract with the Elk River Cooperative?

Mr. ANDERSON. I say this: The contract as now drawn contemplates that the Atomic Energy Commission will give the Elk River Co-op the money for the powerplant, $7,995,000, and that the Elk River Co-op will proceed to buy it. Under this bill the Atomic Energy Commission would have to take the options and contracts itself and complete them itself. We think the Government is a better shopper than the cooperative might be. While it might be true that the Elk River Cooperative Power Association could do this, it is also true that the Chugach Electric Association, the Wolverine Electric Cooperative, and others have not had the same experience.

Balancing the question of whether the Government or the cooperative should do what is proposed, there is no difference under that provision, and nothing to delay it.

We are trying to make a legislative history. So far as I am concerned, I am willing to state, and I believe others are, that in the case of the contract with the Elk River Cooperative Power Association, which is, we hope, close to completion—and they have thought so and we have thought so for the last year—there is nothing in this bill to delay that contract in the slightest.

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

Mr. ANDERSON. I yield to the Senator from Rhode Island, who is very well informed on this subject.

Mr. PASTORE. I think there should be a meeting of minds. I raise this question because some doubt has been expressed due to several amendments which were adopted by the House and amendments which I understand will be pursued here in connection with the Elk River project. I understand that an amendment was made in the House—and that there is such a printed amendment on the desk here—to the effect that the waiver of fuel use charges should be deleted from the bill. I notice on page 12 of the report that there is an item of $125,000 for waiver of fuel use charges.

The language inserted by the committee would allow the Atomic Energy Commission to do business directly with the manufacturer, because this was to be a Government-owned reactor, maintained by the Government, rather than a situation in which the Government would deal with the manufacturer as a subcontractor of the cooperative.

I understand that that feature was removed in the House. Therefore we are presented with the serious question that if these amendments are to be pursued, we may run into some difficulty, involving the question as to whether the Commission can waive the fuel use charges, even with reference to the Elk River project.

Mr. THYE. Is there any provision in section 111 of the bill which would in any sense jeopardize the Elk River contract, as now drafted?

Mr. PASTORE. Together with the further amendment that if the language is changed with reference to doing business directly with the manufacturer, the AEC will have to do business with the cooperative; and in doing business with the cooperative, the serious question arises as to whether or not section 261, which compels the Commission to come before the Congress and obtain an authorization for reactors and for waivers of fuel use charges, might jeopardize to a certain extent the Elk River contract—to the extent of $125,000 for waivers of fuel use charges.

That is a serious question, and I call it to the attention of the distinguished Senator from Minnesota at a time when the distinguished Senator from Iowa [Mr. HICKENLOOPER] is in the Chamber. I understand that the Senator from Iowa intends to pursue that amendment. I bring up the question only so that the Senator from Minnesota may pursue the question further at the time the amendment is offered.

Mr. THYE. I have been led to believe that section 111 would, in a sense, destroy the contract with the Elk River Cooperative and would foreclose the opportunity of negotiating that contract further. If that be the case, construction of the plant would be delayed for another period of time, involving a further shortage of electricity in the area. That is why I am seeking the information for which I have asked.

Mr. ANDERSON. Let me say to the Senator from Minnesota that this situation is almost exactly comparable with the situation which would exist if I operated an automobile finance agency and the Senator from Minnesota came to me and said, "I want to borrow the money to buy a new car," and I said, "I will make a contract with you. I will give you the $2,000 you need, and you can sign a note for it. Take the $2,000 and buy the car." That represents a contract between us.

Subsequently I might decide to go directly to the car salesman himself and pay the $2,000, and the Senator might take delivery of the car and pay in the same fashion. If that is a complete change in the contract, then the situation before us represents a complete change in the contract. But if there is a desire on the part of anyone to carry out the clear intent of the committee, then I say there should be no difficulty in proceeding, the only difference being that instead of Elk River purchasing the equipment, the Atomic Energy Commission would purchase it. All that would be necessary to add to the contract—which is not yet complete—would be a simple 3- or 4-line declaration that, instead of furnishing the money to buy the plant, the Government itself would buy the plant.

Mr. THYE. If the Government buys the plant, and the plant is installed, does that mean that the Government will have complete control of the plant until the time of the opening of the master valve controlling the steam which flows to the turbines to generate the electricity? If so, then the Government is in business, is it not? Is the Government not in business if it buys the machinery or other mechanism which goes into an atomic energy plant, places it upon its foundations, and then proceeds to generate steam? The only control the REA would have would be of the master valve which lets the steam out of the boilers into the turbine unit. That would put the Federal Government in business.

Mr. ANDERSON. That does not happen to be the case.

Mr. THYE. I am seeking information. I have received a number of telegrams from various persons in Minnesota on this subject.

Mr. ANDERSON. I merely say that that does not happen to be the situation. If someone has represented that to be the situation, let me say that the Government will not operate the plant. The Elk River Cooperative will operate the plant. The only difference is—to use the illustration which I have given—that someone goes to the automobile dealer directly and buys the car.

Mr. THYE. But the Government will own the power unit which is creating the heat which generates the steam.

Mr. ANDERSON. That is correct.

Mr. THYE. Then the Government is in business.

Mr. ANDERSON. It is in business at Shippingport. The Government owns a reactor there. The Government is in business at Santa Suzanna. The Government is in business in various other places.

Mr. THYE. Is that to be the policy throughout the Nation?

Mr. ANDERSON. Of course not. Can the Senator tell me the difference between the Government saying to the Elk River Co-op, "Here is $7,000. You pay for the plant," and the Government, because of its long experience in purchasing such equipment, going directly to the manufacturer and buying directly?

It so happens that Elk River is not the only cooperative in the United States. There is one in Alaska. There is one in Michigan. We are trying to lay down a principle to safeguard the money put into these projects.

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

Mr. ANDERSON. I yield.

Mr. PASTORE. I think the important thing we must bear in mind is this: Everything the Senator from Minnesota has said in expressing his apprehension is absolutely correct, but he must keep in mind—and this is the crux of the whole situation; it is really the substance of the entire bill—that we are starting on the basis that this activity is research and development. This is not competitive. If this operation were competitive, in other words, if the steam to be produced by the reactor cost the same as steam produced by a boiler fired by coal or oil, the Senator would be perfectly correct. The Government would then be in the business of manufacturing electric power, and that would be wrong. The first one who would be opposed to it would be the Senator from Rhode Island.

But we must realize that we have a long way to go. We are in a field which is brand new. We are trying to compete with Russia, Great Britain, and other countries of the world in the development of the atom for peaceful uses.

It has already been said that at Shippingport the cost might be 90 mills, although the conventional charge for electricity on a competitive basis may be 9 mills a kilowatt-hour. A cost of 90 cents a kilowatt-hour is fantastic.

The situation is the same here. The Elk River operation could never enter this field if it had to do so with its own money. We are in the research and development stage.

Mr. THYE. Mr. President, both the Senator and I serve on the Appropriations Committee. A year ago, when we were preparing the appropriation bills, we conceived the idea of placing $25 million in the atomic energy fund, to be used for research in the use of atomic energy in the commercial field. We recognized at that time that we were in a new field. We had no charted course. We had no history to refer to in determining what the anticipated problems and costs might be for a small commercial plant.

Mr. PASTORE. Of course, this is all speculative, but the best expert testimony before our committee was to the effect that it might be 15, 20, or 30 years before such an operation as this can actually become competitive with the use of fossil fuels. Therefore the question arises, Where are we going to experiment? There is one school of thought which says that experimentation and research should be left entirely to private industry. When we leave it entirely to private industry, the cooperatives do not have the money. So the AEC, in its right judgment and good wisdom, decided that it might be well if the reactors were built at Government expense, at the sites where cooperatives were located. They would enter into an agreement with the Government to buy steam at conventional costs, and we would have the opportunity to experiment in that field.

It is true that if this operation were competitive, we should not be in it. The minute it becomes competitive, it is no longer research; and the minute it becomes no longer research, the Government ought to get out of the operation, because that would be socialism; and the Senator from Rhode Island does not believe in socialism.

Mr. THYE. Neither does the Senator from Minnesota.

Mr. PASTORE. I realize that. The answer to the gentlemen who have written the distinguished Senator from Minnesota is this: This program is only research. Unless we do it this way, it will not be done at all. The AEC, in its wisdom and good judgment, has made certain decisions. Mind you, this is not the Joint Committee's proposal. The proposal involving the $98 million on behalf of the cooperatives is the program which has been initiated and suggested by the Atomic Energy Commission. This is the program of the Commission. This is the second round.

What the Commission is doing—and the Senator from Rhode Island agrees with the Commission—is building the reactor at the site where people who are interested in the distribution of the current will grow up with the research and development in this art, in the hope that, one day, when it becomes competitive with their own plants, the Government will get out of the business.

Mr. THYE. Let me ask one further question. The Senator from Rhode Island is legally trained. Judging from the information which I have about the distinguished Senator's ability, he is a very excellent attorney. As a lawyer, does he tell me that there is absolutely nothing in the bill which would jeopardize the Elk River REA contract, as now drafted and lying on the desk of the Atomic Energy Commission for signature?

Mr. PASTORE. Unless we settle the amendment which will be suggested by the Senator from Iowa, as I understand. The bill, as it came from the Joint Committee, before it was amended in the House, would do nothing to jeopardize the proposed contract to which the Senator refers.

Mr. HICKENLOOPER. Mr. President, I certainly do not agree with those statements.

Mr. PASTORE. I did not dispute any statement at all. I merely said that the question must be cleared up.

Mr. HICKENLOOPER. I should like to attempt, in my own feeble way, to state what I believe to be the facts, if the Senator will yield.

Mr. ANDERSON. I am glad to yield.

Mr. HICKENLOOPER. In the first place, in my view, the Senator from Minnesota is absolutely correct. As the bill stands, it would put the Atomic Energy Commission in the commercial business of producing reactors and selling for revenue power in a commercial way.

There is some research involved. There is some dispute as to how much research is involved, but the bill itself, on page 15, contains this language:

> Sale of steam by the Commission under contract with the cooperative or publicly owned organization shall be at rates based upon the present cost of, or the projected cost of—comparable steam from a plant using conventional fuels at such locations.

So the Government would be put into business. I disagree with my friend from Rhode Island when he says that the amendment which I and other Senators have sponsored would prejudice the Elk River contract.

It will not prejudice the Elk River contract in the slightest degree, in my opinion. As the bill comes from the committee, it is not as the AEC wanted it. The AEC wanted to deal with the cooperatives, and to make contracts. The bill compels it to deal with manufacturers, not cooperatives. That is what the AEC does not want to be compelled to do.

Mr. THYE. Mr. President, will the Senator yield once more on the legal aspect?

Mr. ANDERSON. May I say a word?

Mr. THYE. Did the House amendments improve or weaken the status of the cooperatives which are now negotiating or attempting to negotiate contracts? Did the amendments on the House floor improve the status of the bill insofar as they related to the cooperatives?

Mr. ANDERSON. I would not say they improved it. I would say they hurt the bill very badly. Of course, everyone has a right to his opinion. The Senator from Minnesota asked a short time ago if paying for the plant puts the Government in business. Am I to understand that the Senator from Minnesota does not want the Government to own the plant at Elk River?

Mr. THYE. I want research and experimental money to be used at the disposal of the AEC, to facilitate research, to cooperate with the Elk River cooperative in the field of research by negotiating a contract with the Elk River project. I do not want the Atomic Energy Commission to proceed to make contracts and own units they will build anywhere in the United States, and control the entire operation, except for the master valve which lets the steam into the turbine.

Mr. ANDERSON. Then the Senator from Minnesota does not want the Government to own the Elk River plant so far as the nuclear feature is concerned. That is correct, is it not?

Mr. THYE. I want——

Mr. ANDERSON. The Senator has just gotten through saying that.

Mr. THYE. The Senator from Minnesota does not want to get into a box out of which he may not be able to stick his head.

Mr. ANDERSON. The Senator has just gotten himself into that position. I assure him that the present Elk River contract, lying on the desk of the Atomic Energy Commission, containing all the hooks which the Atomic Energy Commission has been able to put into it, provides that the Government will own that nuclear plant.

Mr. THYE. The Senator from New Mexico has been interpreting the Elk River contract. He knows about the contract lying on the desk of the AEC, and he knows about it better than I do. That is why I was asking him to answer some questions for me, because this is really his business in Congress, by way of committee assignment, he having lived with this matter for 6 months.

Mr. ANDERSON. Precisely.

Mr. THYE. Therefore, he can understand that there may be phases and aspects of the question about which I am not informed, and that is why I am taking the time of the Senator from New Mexico to ask my questions.

Mr. ANDERSON. Precisely. I have accepted the Senator's questions in good faith.

Mr. THYE. I thank the Senator.

Mr. ANDERSON. The Senator does not want the contract slowed down.

Mr. THYE. No.

Mr. ANDERSON. Nor do I. I say to him that when I gave him the example of the automobile, it was to illustrate the precise situation now existing. If he wishes to take the time to read what was in the second round of the proposals, he can read about it at page 514 of the hearings. That information relates to financing and the retaining the title to all or part of the reactor system. Does the Senator from Minnesota mean to say that the Government will pay $7,995,000 for the plant at Elk River—every dollar of its cost—and then deed it to the Elk River Cooperative?

Mr. THYE. That is not in the contract.

Mr. ANDERSON. Of course it is not. The Government retains title.

Mr. THYE. The Elk River Cooperative is very ably served by some very good

legal minds. Edward Wolter, the manager of Elk River, is a very able man, and certainly able to understand the language of a contract. He interpreted the language in the proposed contract——

Mr. ANDERSON. Does he say the Government will retain title or will not retain title?

Mr. THYE. The Elk River Cooperative and Mr. Wolter, the manager, are deeply concerned about the fact that the bill as introduced and as reported by the committee would absolutely jeopardize the Elk River contract and destroy their ability to negotiate the contract as it had been worked out for the past 18 months.

Mr. ANDERSON. What ability have they to negotiate it? The Senator says it is lying on the desk of the AEC. It has not made a move for 8 months.

Mr. THYE. Oh, yes; it has.

Mr. ANDERSON. What has it done?

Mr. THYE. It has moved up against the barrier of the language of the pending bill, because the language of the bill is there, and the Atomic Energy Commission in its good judgment, in my opinion, is awaiting action of the committee and of the Comptroller General. Likewise it is realized that there might be additional language in the bill which would raise some questions, and therefore they are awaiting the final decision of Congress on the bill which is before us.

Mr. ANDERSON. I ask the distinguished Senator from Minnesota to produce one line from the Comptroller General of the United States which bears out what he has said. If he can do it in the course of the afternoon, I shall be glad to have him do it. I suggest that he try to do it.

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

Mr. THYE. The fact is that I am referring to conversations and communications I have had with the Elk River REA and the men who represent the Elk River REA—and they must know, because they have been negotiating a contract—and their opinion is——

Mr. ANDERSON. Did they tell the Senator that they would get title to it or that the Government would retain title to it?

Mr. THYE. Under the contract they were negotiating prior to this?

Mr. ANDERSON. Yes.

Mr. THYE. As to that contract, they said they would have supreme jurisdiction over the plant, and, while the Atomic Energy Commission would have some experimental or research money in the plant, they would be the masters of it.

Mr. ANDERSON. The Senator from Minnesota understood my question I am sure. My question was whether he believed that under the contract, which is lying on the desk of the Atomic Energy Commission, Elk River would get title to the nuclear end of the plant.

Mr. THYE. Except insofar as the Atomic Energy Commission would have an interest in other aspects of it as a research project; yes.

Mr. ANDERSON. The Government has a 100-percent interest. It owns it outright. That is the situation, and that is what makes it a little difficult for the Senator from Minnesota to take exception to the fact that the Government will buy the plant. The only difference, as I see it, is that Government would buy it directly in one instance, and, in the other, it would give the Elk River Cooperative over $7 million to buy it, and then have the Government retain title to it. What is the difference? The only difference is that the purchasing experience of the United States Government would be used. I agree that Mr. Wolter is a competent man, and it might not be necessary to do that with respect to Elk River.

Mr. THYE. I think there is a difference of philosophy involved.

Mr. ANDERSON. What is the difference in philosophy?

Mr. THYE. When a person obtains title to a property, it is his property.

Mr. ANDERSON. I ask the Senator whether he believes——

Mr. THYE. If I may finish my thought, I say that if a man goes to a bank and borrows money, let us say, $2,000, and with it he buys an article, he obtains title to it, subject, it may be, to a chattel mortgage under the security given to obtain the loan in the first place.

Mr. ANDERSON. I hope the Senator will not forget the fact that Elk River does not get any title.

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

Mr. ANDERSON. I yield.

Mr. GORE. If the able Senator from Minnesota will turn to page 514 of the hearings, he will find there language of the Atomic Energy Commission. I now refer particularly to subsection (d). Does the Senator have the volume before him?

Mr. THYE. I do, but the Senator from Tennessee reads so well that it will be an inspiration for me to listen to him.

Mr. GORE. I thank the Senator. I read:

> (d) Financing and retaining title to all or part of the reactor system. The nature and extent of this type of assistance will determine whether the energy generated in the reactor will be subject to disposition in accordance with section 44 of the Atomic Energy Act of 1954 and its provisions regarding disposal of energy from utilization facilities of the Commission.

I think that settles it.

Mr. ANDERSON. I hope it will settle it. I have tried to explain to the Senator from Minnesota that Elk River did not get any title to the program. The Senator would like to know what is holding up the contract. There is, for instance, the problem of alternate power. We cannot trust completely the atomic powerplant. The cooperatives need to have a source of alternate power. The question is who is to pay for it. Under the bill as amended by the House there is no disposition of that question. Under the Senate bill there is a clear provision that the AEC would pay for it.

Then the question arises, would Elk River get along better under the Senate bill or under the House bill? I will let the decision stand on that question. We know what happened with regard to the Seawolf. After we built the prototype utility in Iowa and worked on it for months, we found, after we put it in the Seawolf, that it did not work, and we had to change it completely.

The second point I wish to make is that the plant will be Government owned, I assure the Senator from Minnesota. When the Government owns a property the Government—in this case the AEC—raises the question whether Elk River should not carry insurance on the property. I mean all the hazard insurance that is provided for in the indemnity bill we will be talking about later. That will run into thousands and thousands of dollars a year. Elk River says, "Oh, no, this is owned by the Government. The Government will have to pay for the insurance."

The Government says, "We are letting you operate it. We are not giving you merely the steam valve to operate. Therefore, you will have to pay for the insurance—$50 million worth. You must pay for that insurance." That is causing a part of the trouble.

The Senator from Minnesota wants to know how we can get those roadblocks out of the way. Perhaps the contract will move forward, but we will not be able to get all those things out of the road because the parent organization of the REA's—the national organization—will not lend the money, under the uncertainties which now exist. We have tried to take those stumbling blocks off the road. I know all about the propaganda that has gone out—the propaganda to the effect that we were not attempting to do so. But I assure the Senator that in connection with the bill, we tried for long, long hours to get them out, so the cooperatives could go ahead, and so there could be a development by the cooperatives of their own nuclear-power resources.

Mr. GORE. Mr. President——

Mr. PASTORE. Mr. President, will the Senator from New Mexico yield to me?

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from New Mexico yield; and if so, to whom?

Mr. ANDERSON. I ask the Senator from Rhode Island to permit me to yield first to the Senator from Tennessee.

Mr. GORE. Mr. President, to clinch in the mind of the able Senator from Minnesota [Mr. THYE], if I may do so—and I realize that his interest in this matter is very deep—the point the committee was seeking to facilitate the development of this project, if he will turn to page 18 of the report, in the middle of the page, he will find a paragraph that is very explicit. I shall read the last sentence of it:

> It is contemplated that AEC under its direct contract with the equipment manufacturer could incorporate the terms and conditions concurrently being negotiated by the cooperative or public organization with the manufacturer, providing they are consistent with the above-stated principles.

In other words, the committee has made it possible for the Commission to cooperate in order to take advantage of all the contract negotiations, and, in addition, has provided a way which will facilitate the actual development of the project at Elk River.

Mr. ANDERSON. I think so.

Now I yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, if I may say so, I am somewhat amused at the position the distinguished Senator from New Mexico is being placed in this afternoon, well knowing how he feels about the entire section 111. The charge has been leveled, "Of course this means that the Government is selling the commercial power."

Mr. President, whose program is it, and whose second round is it? Is it the second round of the Senator from New Mexico, or is it the second round of the Atomic Energy Commission? Is the Senator from Iowa prepared today to strike out all of section 111?

All we are talking about is the program which was suggested by the Eisenhower administration, and by the Atomic Energy Commission in round two. This is their program; these are their projects. If this is socialism, they—not we—are guilty of socialism, because we have insisted on taking the position right along that there was a serious question as to whether the cooperatives could get into this field economically at all.

Finally we decided that if the Atomic Energy Commission had confidence as to building this atomic reactor and running it and selling the steam at conventional prices, by contract with the cooperatives, in order to accelerate this research program, then, on that score, and on that score alone, we would go along with it. And on that score alone we went along with it.

If this means selling commercial power—as the Senator from Iowa [Mr. HICKENLOOPER] said—then this is a program which was initiated and suggested by the Atomic Energy Commission; and if it is no good, then I suggest that the Senator move to strike it out; and I will go along with him.

Mr. HICKENLOOPER. Mr. President, will the Senator from New Mexico yield to me, inasmuch as I have been referred to in the debate?

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. This is not necessarily the program as recommended by the Atomic Energy Commission. The projects are projects suggested by the Atomic Energy Commission. However, the Atomic Energy Commission has definitely opposed the provision—which was injected into the bill by the committee—which requires the Atomic Energy Commission to contract with the suppliers. The Atomic Energy Commission would prefer in every case—as it has in round 1—or, I should say, in most cases, to contract with the company or the cooperative or the public body.

The fault of this particular provision is that the committee is forcing the Atomic Energy Commission to contract with the supplier, and then it will turn on the spigot and will furnish the steam.

Mr. PASTORE. Mr. President, will the Senator from New Mexico yield further to me?

Mr. ANDERSON. I yield.

Mr. PASTORE. If the Atomic Energy Commission does business with the cooperative, is it not selling commercial power just the same? Is not that the point the Senator made? What difference does it make whether the Atomic Energy Commission does business with the cooperative or with the company? In any event it will be selling power to a public-utility company.

Mr. HICKENLOOPER. It will be furnishing power——

Mr. PASTORE. I do not care by what name one may call the rose; it still smells the same to me.

Mr. HICKENLOOPER. It is still furnishing power for money. But the committee has put the Atomic Energy Commission and the cooperative out of the partnership theory.

Mr. PASTORE. Not at all.

Mr. HICKENLOOPER. Which was the theory of the 1954 act; and that is what happens under the provisions of this bill, as a result of the action taken by the committee.

Mr. ANDERSON. No, Mr. President; and I think I shall read a little from the able authority quoted a few moments ago by the Senator from Minnesota [Mr. THYE]. He quoted Mr. Wolter; and I assume the Senator from Minnesota is willing to stand by what Mr. Wolter said—as I would be, because I think Mr. Wolter is a very able man.

Mr. THYE. Well, he and his board members——

Mr. ANDERSON. Mr. President, the Senator from Minnesota should not desert Mr. Wolter. The Senator quoted him a minute ago. So the Senator should stay with him.

Mr. THYE. I respect the ability and intelligence and vision of Mr. Wolter and of the board members. That is why I referred to him.

Mr. ANDERSON. Exactly and that is why I want to present him now as a witness.

In the course of the colloquy in the committee—as appears in the second column of page 14353 of the CONGRESSIONAL RECORD for August 10, 1957, we find the following:

Representative HOLIFIELD. In other words, you expect, for the first 5 years of operation, not to have to pay any more than 9.5 mills; is that right?

Mr. WOLTER. That is what we are trying to shoot for in our design of these facilities.

Representative HOLIFIELD. Do you have a guaranty that you will get it at that cost?

Mr. WOLTER. We do not have a guaranty on the element of fuel consumption; no, sir.

Representative HOLIFIELD. Do you have any guaranty as to the cost of fuel fabrication?

Mr. WOLTER. Yes. We have a fixed price for the fabrication of the fuel.

Mr. TOLL. What happens if the reactor plant produces heat so that the cost is 20 mills per kilowatt-hour? Who pays for it?

Mr. WOLTER. The difference would be taken out of the $3 million research and development fund.

Representative HOLIFIELD. For the first 5 years?

Mr. WOLTER. Yes, sir.

Mr. TOLL. And that is provided by the Commission?

Mr. WOLTER. Yes, sir.

Representative HOLIFIELD. What happens after the end of the 5 years?

Mr. WOLTER. At the end of the 5 years, we have an option to purchase the powerplant.

If the plant was already theirs, what in heaven would they be doing in purchasing it?

Mr. THYE. Mr. President, if the Senator from New Mexico will yield, let me say that there is the research money which was made available to the Atomic Energy Commission.

Mr. ANDERSON. That is correct. But it has nothing whatever to do with the title to this property.

Mr. THYE. And the Atomic Energy Commission has advanced some funds, and is using the Elk River plant as one of the units in which it will explore the commercial uses of atomic power. That is the point we have reached.

All I can say is that I hold in my hand at this time a statement or digest concerning the Elk River, Minn., reactor project. The statement is in the nature of an opinion. It has long been in the process of preparation, and has been prepared from the provisions of the bill now before us. If the Senator from New Mexico will yield for that purpose, I should like to present the statement or digest, which is one and one-half pages in length. The digest refers to the conviction of the REA in regard to the bill.

Mr. ANDERSON. From whom does it come?

Mr. THYE. It comes from Mr. Edward Wolter's opinion relative to what the bill would do to the contract which they have been more than a year and a half in developing.

Mr. ANDERSON. To which bill does it refer? Does it refer to the Senate bill or to the House bill?

Mr. THYE. If the Senator from New Mexico will bear with me and let me read this statement of one and one-half pages——

Mr. ANDERSON. Only for my own enlightenment, I wish to know to which bill he refers, so I can follow it, as the Senator from Minnesota reads.

Mr. THYE. It is the bill which came from the committee.

Mr. ANDERSON. If it came from the committee—and is not what was done on the floor—that is what I wish to know.

Mr. THYE. Yes—for, of course, the distinguished Senator from New Mexico is a member of the Joint Committee.

Mr. LAUSCHE. Mr. President, may I interrupt? The Senator from Minnesota suggested that they referred to a matter which was a year and a half in preparation. Are those the negotiations before the Commission?

Mr. THYE. Yes.

Mr. LAUSCHE. Then the Senator was referring to the negotiations before the Commission, and not the negotiations on the bill; is that correct?

Mr. THYE. I am referring to a contract which had been in process of development ever since the Congress placed $25 million at the disposal of the Atomic Energy Commission, for it to use in research in the commercial field in the case of atomic power. The moment that fund was made available, the Elk River group, being aggressive and having vision, proceeded to try to avail itself of the work in which the Atomic Energy Commission would be engaged. The statement I have sets forth what they think may happen in this case.

I now read the statement.

STATEMENT CONCERNING ELK RIVER, MINN., REACTOR PROJECT

In the State of Minnesota, we have a rural electric cooperative association which is interested in atomic energy, and which is affected by section 111 of this bill, S. 2674.

The Rural Cooperative Power Association of Elk River, Minn., has made a proposal to the Atomic Energy Commission for the construction of an atomic power reactor. These negotiations have been underway for many months, and the Elk River people inform me that they are now ready to sign a contract with the Atomic Energy Commission for construction of the reactor.

Mr. ANDERSON. Is the Senator reading a statement by Mr. Wolter, of the Elk River concern?

Mr. THYE. No; I am reading my own statement.

Mr. ANDERSON. I asked the Senator who was the author of the statement, and he said Mr. Wolter was.

Mr. THYE. If the Senator from New Mexico will permit me to proceed with reading the statement, I think I shall be able to get this thought over to the Senator from New Mexico.

I read further:

I have naturally followed with great interest this first atomic power project proposed within my State, and on July 29, 1957, Mr. Edward E. Wolter, manager of the Elk River Rural Cooperative Power Association, sent me a letter. Mr. Wolter expressed concern over the feature in this bill, in present section 111a (1), which would make it mandatory for the AEC to execute a contract for construction of the reactor with the reactor manufacturer rather than with the Elk River Co-op. Mr. Wolter indicated that this change in contract arrangements might cause a delay in the project, and I quote as follows from his letter to me dated July 29, 1957:

"The first deals with the requirement that all second round proposals must be built by the Federal Government. This means our contracting will be delayed another 5 or 6 months, the manufacturer's costs may again cause him an increase and he is ready today to place firm orders for major pieces of equipment. A delay of 6 months will see those prices rise and he will have to have an increased amount of money as before and that in itself will bring more delays."

The Elk River, Minn., rural cooperative submitted a proposal to the Atomic Energy Commission because it was a forward-looking rural cooperative that wished to participate in the development of atomic power. I do not believe, however, that it wishes to be shoved aside and have the Federal Government build the reactor for it.

Similarly, when this matter was discussed on the floor of the House of Representatives, Representative JUDD, of Minnesota, indicated that the Elk River Co-op did not want to have the Federal Government run the complete show in constructing this reactor.

I therefore support the version of section 111 as it passed the House of Representatives, which would leave discretion with the Atomic Energy Commission as to the type of contract for construction of these reactors. This is in accord with the amendment offered by the Senator from Iowa [Mr. HICKENLOOPER].

I do not believe that the rural co-op proposals should be used as an excuse for the Federal Government to build power reactors itself.

It is on that point that I have a very strong feeling, and I urge Senators to support an amendment which would keep the Federal Government out of the business of generating steam, which would compel every community across the Nation to beg the Atomic Energy Commission to give it a reactor in order that it would be eligible to turn a valve to send the steam through a turbine and generate electricity to make possible the obtaining of a unit of power in a community. It is at that point that I come into the argument. I think we are taking a step to put the Government into the power business.

Mr. ANDERSON. It is very simple. All the Senator from Minnesota has to do is to persuade the Elk River co-op to withdraw its application, and it will be out of the business of generating steam. Every present contract does exactly what we have indicated. The only difference is that the Elk River people are worried because it has taken so long to get action. They are afraid if they go into another round it will take 5 or 6 months more. The Atomic Energy Commission has been dragging its feet for a year.

Mr. THYE. If the Senator will yield to me, I wish to say I shall not advise the Elk River people to withdraw their application. In room F-37, as a member of the Appropriations Committee, I said, "You will never get commercial use of atomic energy until you relieve the Atomic Energy Commission of the responsibility for the use of funds, other than for research purposes. Otherwise the Atomic Energy Commission will be projected into the field of the development of commercial use of atomic energy."

The Elk River people said they had a cooperative organization, and that, if they could make their plant available to the Atomic Energy Commission for research purposes, that was their desire. They began to negotiate a contract. I would be the last one to ask them to withdraw their application.

Mr. ANDERSON. The Senator just got through saying he did not want the Government to do it.

Mr. THYE. I do not want the Government to get into the business of generating steam.

Mr. ANDERSON. No. The bill merely involves the building of the plant, that is all. Under all the programs, as soon as the plant is built, the cooperative takes over.

Mr. THYE. I understood the Government would keep the plant in its hands just as the Senator would keep a quarter in his hands.

Mr. ANDERSON. Not at all.

Mr. THYE. The Government could do as it pleased. All the Elk River people could do would be to buy the steam after the steam was generated.

Mr. ANDERSON. I am sorry, after all this explanation, the Senator from Minnesota does not understand. I only say to him that the manager from his State has testified that the Government will not own the plant. Under both plans, the cooperative would own the plant. Under the proposal we have made, the Atomic Energy Commission would buy directly. Under the plan of the Atomic Energy Commission, the co-op would be given the money to buy it.

Mr. PASTORE. Mr. President, will the Senator from New Mexico yield so that I may ask the Senator from Minnesota a question?

Mr. ANDERSON. I yield.

Mr. THYE. Mr. President, I wish to say I was never more interested in any question before us than I am in the pending question, because it is a new venture, not only in legislation, but in the commercial power field. If we, by any manner of mistake, or by compounding a mistake, ever put the Government in the business of generating steam to be sold at the valve, to be used to generate power, we will never be able to stop the Government's being asked, "Give us a power unit to firm up electric power in the Missouri River Valley; give us a power unit to firm up electricity generated on the Columbia; give us a plant to generate electricity elsewhere in the United States." Then we shall have gotten the Government into the power business on a scale from which it will never be able to retreat. That is my only concern here today.

Mr. PASTORE. May I ask a question?

The PRESIDING OFFICER. To whom does the Senator from New Mexico desire to yield?

Mr. PASTORE. Mr. President, the Senator from New Mexico yielded to me in order that I might ask a question of the Senator from Minnesota.

Does the Senator feel it would be fair to the taxpayers for the United States to put the taxpayers' money, and not one thin dime of the Elk River Cooperative, into the building of a reactor, and then not to be permitted to have anything to say as to who the engineer would be, what sort of reactor would be constructed, or who would be the contractor to build the plant? Is that what the Senator is driving at? After all, if the Elk River Co-op does not want the Government to build a plant, there will be no steam which can be sold to the distributors. I say in that case they ought not to be in the arrangement at all; but if they are going to be in the arrangement, and if the taxpayers of the United States are going to pay the entire cost, does the Senator not think it is the responsibility of this Congress to charge the members of the Atomic Energy Commission with the responsibility of determining who would be the architect, how much his fee would be, whether a good reactor or a bad reactor would be built, what kind of reactor is going to be built, and who would be the contractor who would build the reactor?

If it is exclusively taxpayers' money, then it becomes exclusively the responsibility of the United States Government, which is spending the taxpayers' money, to decide what kind of reactor it is going to build, if any. Once it is built, then it strikes me an arrangement can be made as to how to dispose of the steam.

In my section of the country the Yankee Atomic Corp. has put up $35 million

of its own money against $5 million of the Government's money for basic research. That company will own the reactor because it is its money that is building it. If the Senator wants the Government to be out of the business, all the co-op in his State has to do is ask the Government to put up $10 million, but also take $10 million out of their own pockets, build a reactor, and get a license from the Atomic Energy Commission. Then there would be no problem at all.

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

Mr. PASTORE. I yield.

Mr. THYE. In the building of highways, the Government requires that only certain specifications it has prescribed be recognized by the States and abided by, if they are to receive Federal assistance. There are many other fields in which the Federal Government takes similar action. Even in the matter of hospital construction, there is Federal participation, but the Federal Government does not say, "Now, we are going to buy all of this equipment for your surgical unit in the hospital, and if you do not let us put that equipment in the surgical unit, you are not going to have a dime of the money."

Mr. PASTORE. The roads, police departments, and fire departments involve the police power of the Government. In that field there is a public interest involved. The Government of the United States has no business to engage in the development of peaceful uses of the atom unless it is for research for the benefit of the people of the United States, and to promote the peace of the world. That is the only reason why we can afford to spend one nickel in that field. If we are talking about generating current cheaply for private industry, then it becomes, apparently, the exclusive business of private industry. The only feature that brings the Government into the field is research. That is the only reason why we can spend the taxpayers' money in that field.

The Government builds roads because the roads are for all the people.

It maintains the FBI because its activities are for all the American people.

It builds hospitals so that indigent people can be cared for.

But the current to be generated by the reactor referred to will benefit only the people who are using the current on the lines of the Elk River Cooperative Power Association. Those people will be the only beneficiaries of any good that comes about.

Why should the people of Iowa, why should the people of Rhode Island, why should the people of Massachusetts—build that plant for peope who will use it in the State of Minnesota?

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

Mr. PASTORE. If we are going to talk about socialism and private industry, I am willing to debate that on the floor. The only reason why we are going into this activity is for research purposes, not to sell commercial power or to put the Government into the power business. When we do that we approach socialism, and I am against socialism.

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

Mr. PASTORE. The only justification for the Government's activities in this field is basic research and development. So long as it is that we can afford to spend the taxpayers' money. So long as we spend the taxpayers' money, the United States Government has a responsibility to see to it that every single penny is spent wisely, and that somebody else does not become the agent and broker to spend the money which belongs to all Americans and which they pay in the form of taxes.

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

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from New Mexico yield to the Senator from Minnesota?

Mr. ANDERSON. I yield.

Mr. THYE. Mr. President, all I wish to say at the present time is that the Senator from Rhode Island was carrying his thought a little afield, beyond anything I had implied or suggested. All I had stated was that the Elk River Cooperative had an operative plant which was serving a community of cooperative associated members, and that the fact that they offered their facilities to the Atomic Energy Commission to be used for a research project would not be of benefit to any individual or corporation.

That organization has gone all the way up to the desk of the Atomic Energy Commission with its contract. They are ready to negotiate the contract. If the contract had been executed they would have proceeded to use the reactor which the Federal Government assisted them with, and then the funds would have been appropriated by the Congress for research purposes, to be used for research, and the Federal Government would not be projected into the making of steam, which would be used for the generation of electricity.

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

Mr. ANDERSON. I will yield to the Senator from California in a moment.

I should like to say, in conclusion with reference to the Elk River Cooperative Power Association, that in the first instance the Senator from Minnesota was worried because the Government was going to obtain title to the plant, when he thought the cooperative was going to obtain title, and I hope he is persuaded that the cooperatives will not obtain title under either proposal. Now the Senator is worried about the fact that they may lose it.

We consulted Mr. Wolter. We were not unconscious of his worries and problems. We tried to do something about them. We did not let his proposals lie on the desk, as the AEC has been doing for months. We put this statement in the report:

> It should be understood that the above principles are not intended to require AEC to resolicit proposals or to change the participants in the various projects. They merely require AEC to contract directly with the equipment manufacturer, rather than to deal with the manufacturer as a subcontractor through the cooperative or public agency. It is contemplated that AEC under its direct contract with the equipment manufacturer could incorporate the terms and conditions concurrently being negotiated by the cooperative or public organization with the manufacturer, providing they are consistent with the above-stated principles.

Finally, in the bill it is stated that "the operation of the entire plant including training and personnel", shall be carried on by direct contract between the Commission and the cooperative. I do not know how we can depart from that.

I now yield to the Senator from California.

Mr. KUCHEL. I thank the Senator from New Mexico.

This debate is helpful to a Senator like myself, who is not at all acquainted with this subject. I am sure the Senator from New Mexico realizes that I have nothing but the highest of respect for him. I must also say that the men who make up the Joint Committee on Atomic Energy are all of the highest stature.

In the past several days I have read the hearings. I have observed the words like round 1, round 2, round 3, the use of breeder reactors, heavy water, and all the rest. Every few paragraphs, I might add, I observed the words "off the record."

It is extremely difficult for Senators who are not familiar with the subject to find what is in the public interest and vote accordingly. With that brief statement of background, if I may, I should like to ask the Senator a couple of questions with particular reference to section 111. Perhaps, at least, I can resolve to some extent my own perplexity—and I am not alone in perplexity, as I look around the Chamber today and see the confusion written on the faces of some of my fellow Senators.

I should like to invite the Senator's attention to section 111 and ask him, first: Is it not a fact that the Atomic Energy Commission has today the statutory right to enter into a contract with a public agency, REA or otherwise, on exactly the same basis it has the statutory right to enter into a similar contract with a privately owned utility? Is my understanding correct?

Mr. ANDERSON. The Senator is correct.

Mr. KUCHEL. Is it not a fact, further, that in the discharge of that authority the Atomic Energy Commission has stated that it has been negotiating with a public agency toward a final contractual commitment?

Mr. ANDERSON. Yes.

Mr. KUCHEL. So that from the standpoint of the legal authority of the Atomic Energy Commission to enter into a contract with a public agency, section 111 adds nothing to the authority of the Commission; is that correct?

Mr. ANDERSON. It would not add anything to the authority, but it might make the Commission do something it does not want to do.

Mr. KUCHEL. That is what I desire to come to. Am I correct in stating that it is the intention of the Joint Committee on Atomic Energy to channel the

contract between a public agency and the Atomic Energy Commission along a certain line, as outlined in section 111?

Mr. ANDERSON. To follow one line of contracting; yes. The Atomic Energy Commission shall do the purchasing for these plants.

Mr. KUCHEL. In a certain fashion?

Mr. ANDERSON. Yes. After all, as the Senator will realize, if he knows anything about the Chugach Electric Association, in Anchorage, Alaska——

Mr. KUCHEL. Which I do not.

Mr. ANDERSON. The Senator probably recognizes that the Chugach Electric Association has no opportunity to become fully acquainted with all the developments in the field of atomic energy, whereas the Atomic Energy Commission, with its corps of experts and constant contact with every large manufacturer of electrical equipment, is probably in the best position to know what the Chugach Electric Association ought to buy and what would be a fair price to pay for it.

Therefore, we felt that instead of turning the cooperative, which has no experience, loose in the field, we ought to tie it down so that the action would come through the Commission.

I may say that is not the only reason. In the State of Ohio, the city of Piqua applied for a plant. I invite Senators' attention to page 14355 of the CONGRESSIONAL RECORD, where the proposal of the city of Piqua, Ohio, is printed. It states:

> The city of Piqua, Ohio, and the writer representing the Piqua power system are vitally interested in the passage of the captioned bill as presently written.
>
> The writer has carefully reviewed section 111 (cooperative power reactor demonstration program) and I wish to urge that the mandatory requirement as evidenced by the word "shall" in line 12, page 15, of the captioned bill be retained to the end that AEC must complete arrangements for development, design, and construction of the reactor and related facilities by direct contract with the equipment manufacturer or engineering organization.

This is one of the groups with whom the Atomic Energy Commission has been negotiating. The city of Piqua, after long negotiation and after long delay, has come forward to say, "We want this language retained; we want it done as the bill provides."

Mr. KUCHEL. What the Senator is urging, then, in regard to this subject——

The PRESIDING OFFICER. The Senate will be in order. Visitors in the gallery will kindly refrain from audible conversation, in order that Senators may be heard. Members and staff who desire to converse will please retire to the cloakrooms.

The Senator from California may proceed.

Mr. KUCHEL. What the distinguished Senator from New Mexico is urging for the committee, in section 111, is that the procedures and the techniques of entering into a contract with a public agency shall be channeled down one line, to wit, a direct contract with those who produce the reactor equipment.

Mr. ANDERSON. Yes. Under this particular section that is true, because under the section the AEC will buy the entire powerplant.

Mr. KUCHEL. Is my understanding correct that, in the preliminary negotiations with the Elk River Cooperative Power Association, the AEC is not working on the basis of direct contact with the manufacturers of the nuclear equipment?

Mr. ANDERSON. Yes. The Elk River people have been negotiating directly with the manufacturers of the equipment.

Mr. KUCHEL. What is difficult for the Senator from California is to accept the argument of the Senator from New Mexico completely, because it seems to me that if I had the responsibility of the Atomic Energy Commission, perhaps in dealing with the Senator from New Mexico, representing one public agency, I would negotiate one type of contract, and perhaps in another part of the country, dealing with other people, under different economic and other conditions, I might want the freedom to change the terms of the contract. Why should I be restricted in the type of contract I can negotiate? That is what makes it difficult for the Senator from California.

Mr. ANDERSON. The first question is, With whose money? Is the Senator speaking of a situation in which he would be spending his own money?

Mr. KUCHEL. It is the Government's money we are talking about.

Mr. ANDERSON. Every dime the Elk River cooperative will spend on a reactor will be Government money. Not a nickel of its own money will go into it.

Mr. KUCHEL. If that is the pattern laid down, I would not quarrel with it. We are dealing here with "research and development."

Mr. ANDERSON. Not every cooperative is so fortunate as the one at Elk River. I said earlier that I thought the Elk River cooperative was in pretty good shape. It happens that in the State of Michigan there is the Wolverine cooperative. The Wolverine cooperative has started negotiations and has done some bargaining. I do not know as much about business as I should——

Mr. KUCHEL. The Senator is an able businessman.

Mr. ANDERSON. But I do know that one should not obligate himself to pay out more than he takes in, unless somewhere along the line he can borrow money. The Wolverine cooperative has an income of about $18,000 a year, and it proposes to contract to pay $50,000 a year in interest. It cannot be done, except by borrowing.

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

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. I may say to the Senator from California, if the Senator from New Mexico will permit me, that three times in the deliberations of the committee those who believe as I do on this question stated that all we wanted to do was to change the word "shall" to "may"—in other words, to provide in the bill that the Commission may deal directly with the manufacturer or the supplier of the equipment, instead of making it mandatory and saying that the Commission shall do it that way. The Commission should be given some leeway.

We were defeated three times. For some reason which I must say I fail to understand, the word "shall" had to go into the bill. If the word "may" had been used there would have been no hassle over it at all. No amendment would have been proposed in the House, and there would have been agreement all the way down. No one wishes to block the opportunity for research and development.

Mr. ANDERSON. I agree with the last statement of the Senator.

If we used the word "may" instead of the word "shall" the Atomic Energy Commission would wipe it away. It would not pay the slightest attention to the language if we used the word "may." The Atomic Energy Commission told us, "We are going to operate this program to suit ourselves." Congress has some responsibility. Members of the Appropriations Committee do not abdicate because some agency says, "We want to do it our way." Therefore we rejected the word "shall"; and the city of Piqua, Ohio, is thankful that we did.

Let me say also to the able Senator from California that every once in a while we must lay down rules which do not work perfectly in every case. The Government of the United States requires competitive bidding on certain items. One might say, "I know a firm with which you can do business, a firm that is as honest as the day is long. You could buy millions of dollars worth of goods from it and never lose a nickel." But if we do not include the requirement for competitive bidding, we run into trouble in a short time. Therefore we tried to prescribe a sound rule which would not hurt anyone who wanted to play right, but would protect the Government in case some organization did not have the highest type of business management. We tried to bar such organizations.

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

Mr. ANDERSON. I yield.

Mr. KUCHEL. At the conclusion of the last hearing a directive was issued to Admiral Strauss to provide certain information which I did not see. I got in contact with the staff of the committee, and was finally referred to the CONGRESSIONAL RECORD for August 5. I was told by the staff that this was an informal letter from the head of the Atomic Energy Commission to Representative COLE. Let me read one paragraph of the letter from the Atomic Energy Commission on this particular point. I quote from the letter:

> 2. Section 111 (a) (1) of the bill would prescribe the method of contracting between the Commission and publicly and cooperatively-owned utility organizations under the Commission's power-demonstration program. The Commission's negotiations with several of the publicly and cooperatively-owned utilities are in an advanced stage and in at least one case, the Elk River cooperative, are close to contract execution. To require the Commission to reopen negotiations on a new basis would delay contract execution and hence delay completion of the project. In addition, the Commission be-

lieves that there are cases in which it will be advantageous to the Government to give to the utility contractual responsibility for the overall project, subject to controls necessary to protect the Government's interest, and that there are also cases in which it may be practicable to provide for limited assumption of operating costs and risks by the utility. Both of these possibilities would be foreclosed by the mandatory requirements of section 111 (a) (1). The basic contractual framework proposed by section 111 (a) (1) may in some cases provide the only feasible way of successfully concluding negotiations, and in such cases the Commission would follow that framework. But the Commission believes that it, as an executive agency, should be free to develop and adopt such contractual patterns, consistent with general legal requirements, as appear appropriate and in the best interest of the Government. Accordingly, the Commission cannot endorse enactment of section 111 (a) (1) in its present mandatory form.

Accordingly, the Commission said it could not approve that part of the contract. Let me say very frankly to the Senator——

Mr. THYE. Mr. President, will the Senator correct his language? He referred to Minnesota.

Mr. KUCHEL. I do not yield.

I do, indeed, wonder why the Atomic Energy Commission has taken this long to negotiate the contract in Minnesota. There may be an honest and reasonable answer to that question. I do not know; but I shall indulge the presumption that it has been tending reasonably toward the conclusion of a proper contract. In any event, I raise the serious question, Why should any agency of the Government charged with procurement be confined or restricted or tied down to only one means of writing a contract? Why should it not have the flexibility to determine which type of contract to enter into? Is that not good business procedure?

Mr. ANDERSON. Why should an agency of Government be confined to one type of contract for procurement? Why should it not have 50 types?

The reason this provision is in the bill is that, in the opinion of the committee, after long study, the Atomic Energy Commission had no intention of completing these contracts. Every time a contract is about to be finished, it thinks of something else; and when it has successfully solved that question, it thinks of something more. The Nebraska situation is that for 2 solid years the Commission has been sitting there thinking of something else. Every time the Elk River contract is ready to be closed, the Commission thinks of something else.

We say that the Commission shall buy the equipment itself, and sell the steam at cost. Often the folderol of negotiations holds up these operations. If we leave the language the way the Atomic Energy Commission wants it, and give the Commission unlimited funds with which to make back-door deals, a year from now someone will say, "Why can we not do something for the poor Elk River cooperative? It is now in the third year of suspense."

Mr. KUCHEL. Does the Senator believe that would be the case?

Mr. ANDERSON. I believe that would be the case.

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

Mr. ANDERSON. I yield.

Mr. LAUSCHE. I invite the Senator's attention specifically to section 111. I do so because it is brief, and covers completely the subject of discussion.

I divide subparagraph (1) into three parts.

The first has to do with arrangements for projects sponsored by cooperatives and publicly owned agencies. The bill provides that such arrangements "shall be carried on by direct contract between the Commission and the equipment manufacturer or engineering organization with respect to the development, design, and construction of the reactor and related facilities."

That is part 1. It is my understanding that the committee's recommendation differs from the wishes of the Atomic Energy Commission, to the point where the committee recommends that the contract shall be made directly between the Commission and the equipment manufacturer. Is that correct?

Mr. ANDERSON. That is correct.

Mr. LAUSCHE. Why has the committee recommended that departure from the Atomic Energy Commission's recommendation?

Mr. ANDERSON. Because 2 years ago we tried to get this program moving. We gave the Commission authority to go ahead. At the end of the period it was exactly where it was in the begining, still grinding its gears. We say that the time must come when, if those who are in the field enter into negotiations with a responsible engineering organization, the Commission shall, by purchasing arrangements, put through the project.

We have heard about various things, such as the Elk River Cooperative. On page 203 of the hearings it is pointed out that, under the authorizing legislation, the original estimated cost for the Elk River Cooperative was $4,460,000. The currently estimated cost is $8,136,000. If we had said to the Elk River Cooperative, "We will back you to the extent of $4 million," and the Elk River Cooperative had proceeded to contract, with its limited knowledge of how costs increase, it would have gotten about a third of the way through, and found itself caught with an $8 million cost. It could not do what the Commonwealth Edison Co. of Chicago could do. It could not take a loss.

We understand that the contract which was given for the first Army reactor constructed in Virginia was for about $1,500,000, and the company lost about $1 million on the deal.

Mr. LAUSCHE. The first part provides how the equipment for the generating plant shall be contracted for. The second part goes into a new field. It reads:

And by direct contract between the Commission and the cooperative or publicly owned organization with respect to the provision of a site—

That is clear.

Mr. ANDERSON. Yes.

Mr. LAUSCHE. I read further:

and conventional turbogenerating facilities—

That is clear—

the operation of the entire plant including training of personnel.

Will the Senator from New Mexico explain the third part? I refer to the operation.

Mr. ANDERSON. They can pick out the particular site. Its value may be $400,000 in one case, or $700,000 in another case. The AEC would want to pick out the conventional type of turbogenerating facilities, because they would probably want to match them with what they have, and they have had experience in the purchase of such facilities.

Then, when it comes to training personnel, we do not want to say to them, "You will take this man and move him over to the plant that is now operating, but leave this other man at home." We feel the manager of the plant at Elk River should pick out the people he desires to send away to learn how the atomic installations operate.

Mr. LAUSCHE. I am not worried about the personnel. I am thinking about the operation of the entire plant. That can be done by contract between the Atomic Energy Commission and Elk River.

Mr. ANDERSON. Yes. The operation of the entire plant will be the responsibility of the Elk River Cooperative. The Government is not going to tell them when to start it up and when to shut it off. The Government will not tell them how much pressure to maintain or how deep to drop the rods. The Government recognizes that that must be done in the field.

Mr. LAUSCHE. The fourth part then provides for the sale by the Commission of steam from the reactor complex to the cooperative or publicly owned organization. Why are we selling steam?

Mr. ANDERSON. I will answer the Senator by saying that that is what the plant makes. There may come a time when the plant may make direct current, but steam is what the plant would make at present. We do not want to waste it. There were some proposals made about a year ago that we should build some small reactors and merely waste the steam.

Mr. LAUSCHE. I am clear about that.

Mr. ANDERSON. So we want to sell the steam.

Mr. LAUSCHE. If we are not in the business, why are we selling the steam?

Mr. ANDERSON. We are trying to find out how to get the steam. We are trying to find out what processes produce it. When we start out with a reactor, we can have something on paper that looks very good and sounds very nice. As I said before, we found out certain things about the *Seawolf*. After the *Seawolf* was designed and was under construction, under the supervision of the man who had been successful in designing and operating the *Nautilus*, it was found that some tubes in the *Seawolf* had to be moved in a certain direction. A great deal of this is still classified matter. However, when the tubes

were moved, it was found that the change did not work as it had in the preliminary plan. We have been trying to find out how it will work, and we will have to sell the steam. We will have to find out how the steam is produced, and how much it is worth. Perhaps some day we may be able to say to a plant, "If you change the alinement of certain tubes and set them up in a different fashion, the power coefficient will go up."

Mr. LAUSCHE. How are we going to tell the cooperatives that they should change something when the language of the bill leaves the ownership and operation in the Federal Government?

Mr. ANDERSON. The operation is in the cooperatives.

Mr. LAUSCHE. The operation is fixed by the contract provided in the second part, as I read the bill.

Mr. ANDERSON. It goes directly to the cooperatives. The Government will not operate at all.

Mr. LAUSCHE. Now I come to my last question. Where in the bill is there a provision that the Government will divest itself of the ownership at any specific time?

Mr. ANDERSON. It is not in the bill. I will say to the Senator that, with his long experience in government, we would have been glad to have him sit with us to try to find a formula under which we could say to the Government, "You must turn the plants loose at a specific time."

Mr. LAUSCHE. I heard someone mention the figure 5 years; that at the end of 5 years the Government would have to do it.

Mr. ANDERSON. Yes.

Mr. LAUSCHE. Where is that language in the bill? I should like to see that language.

Mr. ANDERSON. The language is not in the bill. We first started to talk about a period of 15 years. Then we started to talk about 10 years. Then some said, "Let us do it at the end of 5 years." The difficulty is that we believe that 5 years from now the technique in connection with the development of atomic power will have progressed as rapidly as it has progressed during the past few years. A very brilliant scientist has predicted that we may be able to convert atomic energy directly into electric current in less than 5 years.

If we were to say that we would turn them loose in 5 years but not in 10 years, or say we would do it in 15 years, or that we would do it within a certain fixed period of time, we would be dealing with an unknown factor.

I will say to the Senator from Ohio that I was one of those who advocated that we provide that after a certain period of time these plants had to be sold. We tried to put such a provision in a section that relates to the development of a plutonium facility. We cannot specify the time. When one sits down and thinks about it he comes to the point where he finds it cannot be done. All one can do is what the Government does when it issues paper money; we can pledge the good faith of the Commission that it will dispose of the plants at the earliest possible date.

Mr. LAUSCHE. Is it fair to assume that the Government will continue in the ownership so long as it feels research should be carried on?

Mr. ANDERSON. That is correct. Things are being learned by the operation. In the committee report, with respect to the provision of the site, the committee states:

> It is not contemplated that the AEC would pay any post-construction research and development assistance allowance, as such, or buy back plutonium, but would enter into a demonstration contract under section 31 for the operation of the entire plant, and the sale of the steam for such period of time the AEC determines to be in the Government's interest.

We leave it fully in the hands of AEC to determine how long that will be.

> This would cover the period of the Government's research and development interest in the project and such additional time as may be necessary to dispose of or dismantle the reactor facility in the Government's interest.

Mr. LAUSCHE. I believe that fairly justifies the inference which I made that the Government would stay in control so long as it considered the research and development justified it.

Mr. ANDERSON. That is correct.

Mr. LAUSCHE. My final question is this. What assurance is there that those who will be in control of AEC when the period of research has come to an end will sell the plants to private industry?

Mr. ANDERSON. I can only say that the Congress of the United States through the Joint Committee on Atomic Energy will have some control over the AEC in the first place.

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

Mr. ANDERSON. I would like to complete this point. I believe firmly that no reactor which is now under construction or which will be started in the next year will be economically desirable for operation after 5 years. I may be wrong, of course, but I believe we will learn so much in the next 5 years that we will completely break through the present concepts of generation. I do not know what the AEC will do then, but by virtue of legislation which has been recently enacted, the AEC will have to come to Congress for its authority to go further. I hope the Senator from Ohio will still be here then so that he will help make sure that the Government will not maintain the plants longer than for a reasonable time.

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

Mr. ANDERSON. I yield.

Mr. GORE. The able junior Senator from Ohio inquired about a certainty in an entirely uncertain field. Not only are we without power over or knowledge of certain actions by the Atomic Energy Commission, but we have no assurance that 5 years from now or 2 years from now or 10 years from now we will be able to find a purchaser in the United States for 1 of these reactors. Suppose it should develop that they are unsafe. Suppose they should prove to be uneconomical. It is almost a certainty we could not find a purchaser. We cannot provide positive directions as to divestment unless we know that there is someone who would be willing to buy the plants. We may find in 2 years it may be necessary to dismantle them. I say we are going along in an uncharted sea, seeking to maintain America's leadership in the vital field of nuclear energy. There are no certainties in the field except that it is of tremendous importance.

Mr. LAUSCHE. It would be better to say, then, that the Government ought to continue in this research work without any worry about socialistic change. My questions were propounded on the basis of the argument which developed as to whether or not the Government is going to be in business. Will Congress each year have to appropriate funds for operating these plants?

Mr. ANDERSON. Congress will have to appropriate money each year. The greatest power we have is the power of the purse.

Mr. LAUSCHE. Yes.

Mr. ANDERSON. The Atomic Energy Commission has no authority in itself to launch these undertakings. It must come back year after year for authority. Congress has enacted section 261 of the Atomic Energy Act, which requires the AEC to come to Congress and ask for these items. I think that is a wholesome procedure to follow.

I will say to the Senator from Ohio that it may have been one of the reasons why thereafter the AEC had so many questions to ask about our projects. But we went ahead to do what we thought was proper, in including a requirement that it come to Congress, year after year, for this authorization.

Mr. LAUSCHE. Based on what the Senator from Tennessee said, I would assume that there is no immediate contemplation of divesting the Federal Government of ownership and of turning the ownership over to the local cooperative. The purpose will be to continue operating it on the basis of a research center; is that correct?

Mr. ANDERSON. That is correct, and that is why the cooperative will own the generating facility, because if 3 years from now we find a new way to do this, and if a new plant is then installed there, the Government then will own the actual generating facility, and there will be no recourse, because the Government will have found out something very, very valuable.

Mr. HRUSKA. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. HRUSKA. Is it not true that there is a provision for the contracting parties to purchase at the end of 5 years?

Mr. ANDERSON. That is correct.

Mr. HRUSKA. Could not the matter be handled on that basis? We do not have to solve today all the problems for all time to come. Cannot there be placed in section 111 a provision whereby an option to purchase will be included—a provision similar to the one just mentioned?

Mr. ANDERSON. Yes, that could be done. But let me say that we have seen delays occur already. We do not know whether this will be finished by 1960 or 1965. So why should we require that it be done in that way?

Mr. HRUSKA. It does not have to be. The option is already in existence. It seems to me that section 111 provides for inflexibility, which is contrary to the dictates of the dynamic nature of the problem with which we are dealing.

Mr. ANDERSON. For my part, I am willing to include a provision for a 5-year option. But in the best judgment of the committee, that was not desirable.

Mr. HRUSKA. Yet that is one of the differences about which the Senator from Ohio inquired, and it is one of the points of distinction between the provisions of section 111 and the situation which has obtained heretofore, in the case of the contracts which presently are under consideration. And that point of distinction has not been mentioned until just now.

Mr. ANDERSON. But the contracts are going on, and there is an option to purchase.

Mr. HRUSKA. But that will not be the case under section 111 of the pending bill.

Mr. ANDERSON. Section 111 provides only for those in the second round, the ones now before us. It does not deal with the third round.

Mr. HRUSKA. In the second-round contracts there are provisions for an option on the part of the cooperatives and the public bodies to purchase the plants.

Mr. ANDERSON. They still will have that option.

Mr. HRUSKA. Yes, but not insofar as future contracts by the Atomic Energy Commission are concerned.

Mr. ANDERSON. But the second round is over.

Mr. HRUSKA. Are there to be no rounds in the future? If so, why is section 111 included?

Mr. ANDERSON. I think those are the only projects which are being contemplated under the second round. That is all that has been requested, in the way of money. If we had felt it necessary to include a provision for an option to purchase at the end of 5 years, I would not have objected to the inclusion of such a provision, and I would not object to it now.

Mr. HRUSKA. It would still seem to me the point of difference, which has just now been mentioned, but has not heretofore been mentioned is basic; and it was the point about which the Senator from Ohio [Mr. LAUSCHE] made inquiry.

Mr. HUMPHREY. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. HUMPHREY. I regret that I was not in the Chamber at the time when the details of the rural cooperative situation were first debated. Those details have been elaborately discussed today, as they have on other occasions.

I should like to ask a question about the difference between existing law and the pending bill, as outlined in section 111 (a), as it has been discussed by the Senator from Ohio and other Senators.

First of all, is it not true that in the testimony, when Mr. Ralph J. Foreman, the Acting Administrator of the REA, and Mr. Mynatt, the Assistant General Counsel of the Department of Agriculture, were before this committee, one of the problems which was brought out—one of the problems which faces any cooperative at the present time—was that which involves the cost item of the electric power to be generated. Is not that true?

Mr. ANDERSON. That is correct. It was explained by the representative of the Rural Electric Administration—the REA. Mr. Foreman discussed it, and raised the question of cost, and said the REA was not going to make any money available until that was settled.

Mr. HUMPHREY. That is correct.

The Elk River plant was given a firm loan—upon conventional facilities—of $6,702,000, as the record reveals. That was for a number of items which were described in the testimony. But when it came to a reactor to be used as the fuel to create or generate steam, it was at that point that the Elk River REA would have to go to the Atomic Energy Commission, to make its separate contract. Is that correct?

Mr. ANDERSON. That is correct.

Mr. HUMPHREY. And at that point the REA Administrator again would have to evaluate the loan which he was initially making; is that correct?

Mr. ANDERSON. That is correct, as I understand.

Mr. HUMPHREY. Let me read from some of the testimony taken at the time when Mr. Foreman was present:

> Representative PRICE. Mr. Foreman, we understand then, while this is a firm loan to Elk River—
>
> Referring to the loan of $6,702,000—the final approval is still contingent, if it goes into the atomic-energy project, upon the approval of the Administrator?
>
> Mr. FOREMAN. Yes, sir. I might point out the loan is a firm loan, and if Elk River decided to construct the boiler and the normal equipment that goes along with it, those contracts too would be subject to the approval of the Administrator.
>
> Representative PRICE. Would you proceed?
>
> Mr. FOREMAN. A superheater will be needed to increase the reactor steam temperature to a value which will match the steam conditions—

And so forth. That testimony appears on page 577 of the hearings on the pending bill, the authorizing legislation.

Mr. ANDERSON. Yes.

Mr. HUMPHREY. Does not this point out that one of the problems of the Elk River project arose from the fact that the cost of the steam was always an undecided factor?

Mr. ANDERSON. Yes, an uncertain amount.

Mr. HUMPHREY. Yes, an uncertain amount or figure.

Second, there was the question of what would happen in the case of alternate power during any shutdown of the reactor. Is not that correct?

Mr. ANDERSON. Exactly.

Mr. HUMPHREY. And that was a part of the reason for the delay, was it not?

Mr. ANDERSON. That is correct.

Mr. HUMPHREY. There has been more than 18 months of delay, has there not?

Mr. ANDERSON. Yes, from April 1956, when the negotiations supposedly were all over.

Mr. HUMPHREY. Exactly.

Mr. ANDERSON. All they were going to do was sit down and sign their names to the contract.

Mr. HUMPHREY. But there have been reasons for not signing it—among others, because of the word "may", which the Senator from Iowa mentioned a while ago, in connection with the basis on which the Atomic Energy Commission is operating; and also because there has been no directive and no firm Government policy on this matter. So the delay has been occurring, and there has been more and more and more delay.

As I understand, under the provisions of section 111 (a) the Government would build the plant. Is that correct?

Mr. ANDERSON. The Government would build the nuclear-energy plant.

Mr. HUMPHREY. Yes, would build the nuclear-energy plant. Is that correct?

Mr. ANDERSON. Yes.

Mr. HUMPHREY. Then the Government would sell the steam, would it?

Mr. ANDERSON. What would actually happen would be that the Elk River group would operate the plant and would charge itself for the steam, the fair market value of the steam.

Mr. HUMPHREY. That is correct. And that is provided for in the committee's work; is it not?

Mr. ANDERSON. That is correct.

Mr. HUMPHREY. The cost of the steam under present law is one of the factors which has caused the delay in the Elk River project; is it not?

Mr. ANDERSON. Exactly.

Mr. HUMPHREY. So under the provisions of the pending bill, Elk River would, first, be sure that it had a plant which was built under Atomic Energy Commission specifications, and title to the equipment would be in the Federal Government. Is that correct?

Mr. ANDERSON. That is correct.

Mr. HUMPHREY. Second, the Rural Electric cooperative will operate the plant just as if it owned it; is that correct?

Mr. ANDERSON. That is right—under a contract with the Atomic Energy Commission.

Mr. HUMPHREY. Yes; under an Atomic Energy Commission contract.

Mr. ANDERSON. Yes.

Mr. HUMPHREY. Third, it would pay the fair market value for the steam used to generate the electricity, would it not?

Mr. ANDERSON. Yes; it would charge itself for the steam, and would charge itself at a certain, fixed price.

Mr. HUMPHREY. Fourth, do not the insurance costs constitute another factor in this situation?

Mr. ANDERSON. Yes. Not only insurance costs, but also the question of whether it will be required to place insurance on Government property.

Mr. HUMPHREY. That is correct.

Mr. ANDERSON. The Senator from Minnesota knows that the Capitol Building and the other Federal buildings in Washington, D. C., are not insured; the Government does not carry insurance.

But when the Government invests $7 million or more in a reactor at Elk River, Minn., although the normal procedure would be not to insure it, yet I am sure the Atomic Energy Commission will take the position that the minimum amount of insurance must be carried on it—including indemnity insurance, and not only the insurance in the stock-company insurance pools, but also available Government insurance. The insurance would amount to approximately $60,000 or $70,000 or $75,000 a year—including workmen's compensation insurance and various other kinds of insurance. And the question is, Who would pay for it?

Mr. HUMPHREY. If the pending bill is not enacted, the Atomic Energy Commission has been insisting upon a kind of private insurance; has it not?

Mr. ANDERSON. Either that or insurance under the policies available to them.

Mr. HUMPHREY. Does the Senator mean that the Atomic Energy Commission would insist upon some type of private insurance?

Mr. ANDERSON. Yes. The bill provides definitely that such costs can be charged to their experimentation and development costs.

Mr. HUMPHREY. As a part of the experimentation and development costs, under Federal construction, under a contract with the Atomic Energy Commission; is that correct?

Mr. ANDERSON. Exactly.

Mr. HUMPHREY. So we find that the first delay factor—namely, that in the case of a reactor breakdown, there would be the necessity for interim power—is met by the pending bill; is that correct?

Mr. ANDERSON. That is correct.

Mr. HUMPHREY. And the insurance problem is also met by this bill; is it not?

Mr. ANDERSON. Yes.

Mr. HUMPHREY. And the bill also covers the charge, at the fair market value, for the steam in connection with its generation; is that correct?

Mr. ANDERSON. That is correct.

Mr. HUMPHREY. Fourthly, the Federal Government will take the full responsibility under this bill, as it would in the other, for the financing.

Mr. ANDERSON. That is true.

Mr. HUMPHREY. Both situations require Federal financing. Is that not correct?

Mr. ANDERSON. Of the whole plant.

Mr. HUMPHREY. So what we have is a situation that the Rural Cooperative Association—and I may say I have conversed with its representatives on the telephone this morning—are of a mind that the pending bill, S. 2674, would delay them, when, in fact, it is a measure which would remove the roadblocks which have been delaying it for the past 18 months.

Mr. ANDERSON. The bill assures them of an opportunity to go ahead.

Mr. HUMPHREY. If the bill is passed it will not mean any further delay.

Mr. ANDERSON. It depends upon how the Atomic Energy Commission administers the law. If it wants to drag its feet, it can. That is what worried the Elk River Co-op. They were delayed 15 months after they had completed their negotiations, they thought. They sit, and nothing happens. I can understand how they are going to worry in the future. If they will read the report, they will see that if they go ahead with the contracts, there will be no delay whatsoever. They could move rapidly.

Mr. HUMPHREY. Is it not true that the proposal before the Senate provides the same kind of consideration for the cooperative which the Atomic Energy Commission is presently giving to Westinghouse, Duquesne, North American, Southern California, and Edison Co.?

Mr. ANDERSON. That is correct. That is why I cannot understand why it is contended it is so wrong. When it comes to making a contract with Duquesne Power & Light, which is a large and well-financed private utility, with a very large American fortune behind it, we hear it said, "That is fine. That is good, sound American business," but if it is proposed to help a cooperative like Wolverine, which has only $18,000 worth of profits on $1 million worth of business, and try to protect it, it is called socialism run rampant.

I do not believe that is a very sincere argument.

Mr. HUMPHREY. I wish to thank the Senator from New Mexico and to say it appears to me, in light of the obstructions which we have faced so far, and the delay under existing law and under the existing attitude of the Atomic Energy Commission, the proposal such as is in section 111 of the bill, which says the Atomic Energy Commission shall construct and maintain, offers at least a hope that we may proceed with the peaceful development of atomic energy. I am sure we ought to underscore that the Commission will ultimately decide the matter by the kind of administration it has.

Mr. ANDERSON. That is correct.

Mr. HUMPHREY. I thank the Senator.

Mr. ANDERSON. Mr. President, I shall try to run through some of the statement I had prepared on the matter.

It is true that the Joint Committee made some changes in Atomic Energy Commission requests. Thus it added a design study on a plutonium reactor, and provided for the development and construction of a gas-cooled natural uranium reactor, and a plutonium recycle reactor.

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

Mr. ANDERSON. I yield.

Mr. GORE. One of our colleagues just inquired of me on the floor, privately, about the need for a natural-uranium reactor. Will the Senator explain the need?

Mr. ANDERSON. The AEC is not now going ahead to fill what many of us feel is one of the most important gaps in the program, namely, the development of a gas-cooled natural-uranium reactor. The British have had what we think is a success in that regard. Whether it is as successful as the British say it is, or as the various papers have said it is, nobody knows, but certainly this has happened: When Japan got ready to buy a reactor, the word went out, very recently—and I put it in the CONGRESSIONAL RECORD a day or two ago—that Japan intended to buy a large natural-uranium reactor from Britain and a small experimental plant from the United States. Word went out the other day with reference to operations in Italy, where there seemed to be a tendency toward the British-type reactor. Not only that, but the AEC seemed to think it desirable. As appeared in the hearings which were put in the RECORD, the Atomic Energy Commission, after it had lobbied against such a reactor, went before the Bureau of the Budget and asked for $150 million to build reactors. That fact appears on pages 57 and 58 of the hearings. At the top of page 58 it will be seen that one of the types was:

> Natural-uranium-fueled heavy-water moderated and cooled reactor: 100 to 150 EMW and 400 to 600 MWH. Estimated cost, $50 million.

It was sound, constructive, progressive policy for the Atomic Energy Commission to go to the Bureau of the Budget and ask for $50 million for a 50,000-watt natural-uranium reactor. The Budget Bureau turned it down. Then when the Joint Committee on Atomic Energy tried to back up that effort, after its full understanding of the problems around the world, and asked for a 40,000-watt natural-uranium reactor that would cost $40 million and suggested that it might be built in the western part of the country by a team trained to handle it, it was said that was socialism run rampant. I begin to wonder a little bit what goes on.

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

Mr. ANDERSON. I yield.

Mr. GORE. I should like to ask a few brief questions of the Senator from New Mexico, if he will permit me. Is it not true that the British, in the first place, obtained from the United States the basic technology of the natural uranium gas-cooled reactor.

Mr. ANDERSON. I do not know exactly. I have understood that was so. I understand a good deal of the work on it was done in this country. I am sure much work on it was also done in Great Britain.

Mr. GORE. Is it not a fact that our own technicians have been ready, since the 1940's, to build a gas-cooled natural uranium reactor?

Mr. ANDERSON. Yes. I think 1944 was the year in which General Electric made a proposal that a gas-cooled natural uranium reactor be constructed. There was, as I now remember, a contract with Monsanto Chemical of St. Louis, which was given that responsibility, and the contract work was started on it. The contract was subsequently canceled. There was some talk that private utilities felt it was too early to develop nuclear power. I do not know whether that was the reason, or what the reason was, but, anyway, the contract for this type of reactor was stopped in about 1945 or 1946.

Mr. GORE. The Senator has referred to the successs the British have had in the development of this particular kind of reactor. Is it not true that the United States and Great Britain have a bilat-

eral agreement by which, under such conditions, the United States is entitled to the benefit of the technology which the British have developed at Calder Hall?

Mr. ANDERSON. Yes. It is one of those reciprocal arrangements: We supply them with all the information on the *Nautilus*; they are going to send us their information on the gas-cooled natural uranium reactor. But the British do not have to do it unless we have one. So now we will get nothing from the agreement unless we start to build one.

Mr. GORE. Is it not a fact that the bilateral agreement is such that the United States can benefit and can use the technology which the British have developed in the actual construction of a reactor by the Government itself?

Mr. ANDERSON. Yes. I will say to the Senator I am not able to recall whether we would get most of the information, which is secret, from our Atomic Energy Commission; but certainly it is proper to say that the business interests and the industrial areas of this country cannot get information on the British reactor unless we are willing to give it to them.

Mr. GORE. Then when the United States has built such a reactor, utilizing to the fullest extent possible the technological development gained in Great Britain, our own private concerns will be able to take advantage of the technology developed in that country and in this country?

Mr. ANDERSON. I think I had better correct the statement I made a while ago. My attention has been called to the hearings on the authorization bill, when the Chairman of the Atomic Energy Commission was testifying, and the able Senator from Tennessee talked about this situation with reference to Calder Hall, as appears on page 677 of the hearings. The Senator from Tennessee asked this question:

> Which means that you could only utilize the technology from the Calder Hall experience in the construction of a Government-owned reactor?

Admiral Strauss said:

> At the present time.

That is the situation at the present time. Unless the Government goes ahead with the building of a reactor to use natural uranium, we cannot avail ourselves of the experience the British have had.

Mr. HICKENLOOPER. Mr. President, will the Senator yield to clear up that point?

Mr. ANDERSON. Very well.

Mr. HICKENLOOPER. On the question of the utilization of British information on the natural uranium reactor, I think the Senator will agree with me that one of the elements in connection with that agreement is that the British charge a royalty for discoveries which they make in this field, and they say in the agreement they will not give that information to our Government for use free in our industry because what we have in the uranium field is in the public domain.

Mr. ANDERSON. Yes.

Mr. HICKENLOOPER. The British say, "We are not going to sell it to our people and give it to your people free. It is bad business."

Mr. ANDERSON. I only say that is the reason which is assigned. It successfully prevents this country from obtaining information, so long as the Government is not building a natural uranium reactor.

I point out that we made our exchange very nicely. We gave the British the information on the submarine which the British wanted. When in turn we want some information the answer is, "You cannot get it unless you build a natural uranium reactor." Then the Atomic Energy Commission says, "We will fight to the last ditch to prevent the building of a natural uranium reactor."

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

Mr. ANDERSON. I yield to the Senator from Tennessee.

Mr. GORE. I disagree with that provision in the bilateral agreement. I thought it was something less than a good bargain on the part of the United States. Nevertheless, it is in the bilateral agreement.

The Senator has referred to the success of the Calder Hall type of reactor. Would the Senator mind telling the Senate how the present kilowatt cost of power generated in this type of reactor, at Calder Hall, England, compares with the cost of power generated by the only large scale reactor in this country, which is at Shippingport?

Mr. ANDERSON. I do not know that my figures would be accurate, but my guess is from one-fifth to one-seventh of the cost.

The original cost at Shippingport is going to be very high. The cost at Calder Hall, because it is an operating pile, is away down. I think that is not a fair comparison, however. It is 14 or so mills as against 60 or 70 mills, but the figure will be away down after a while, I will say to the Senator. I think the Calder Hall type of reactor suffers from progress. I do not believe it has been demonstrated to be the last word in the construction of reactors. I would like to find out. I think the business interests of this country are not being properly served unless we do find out. We may find that the cost is 30 mills, using American standards and American dollars. If so, we have learned that much at not too great a cost, because we put $40 million into a great many things.

A comparison between the Calder Hall type and the pressurized water reactor type was made by the atomic-energy division of the American Radiator and Standard Sanitary Corp. a short time ago. It shows, taking into account construction costs in the United States, and using United States accounting practices, the cost at Calder Hall to be about 17.9 mills. We hope the PWR, after being in operation for a while, will get down to 19 mills. I do not believe anybody thinks it is near 19 mills now.

With construction in Britain, and using the British factors, brings the cost to 17.7 mills, and PWR to about 12.9 mills. Operating for a similar length of time, it might be half that much.

I say that is one of the difficulties of trying to make a comparison, because if one compares the British dollars and the British costs, one gets a rather low per kilowatt cost of 7.7 mills. One could build the same thing in the United States and have it cost much more than 7.7 mills. It would not be that; it would be double that, or more.

Mr. HUMPHREY. Mr. President, will the Senator yield to me at that point?

Mr. ANDERSON. I am anxious to carry on my colloquy with the Senator from Iowa [Mr. HICKENLOOPER].

Mr. HICKENLOOPER. I had some other matters I desired to discuss with the Senator from New Mexico, and I thank him.

We have heard a great deal about the natural uranium reactor. It is true that a contingent request was made by the Commission for $50 million in the natural uranium field, but in reading the request Senators will notice, as is to be found on page 58 of the hearings before the Subcommittee on Legislation of the Joint Committee, April 10 through April 27, 1957, that they made it contingent, on the basis of words like these:

> In the event of a negative response from industry, it was planned to proceed with these projects using AEC funds as necessary.

They put it in on a contingent basis only if they did not get a bid from industry. They did get a bid from industry, from the Zinn Corp. They want private industry to proceed with this experiment.

There is one more thing to which I should like to refer. I think it has been pretty well established, and I am going to cover it more extensively in the remarks I shall make after a while. I do not believe there is any question that the evidence points to the fact that the Calder Hall type of natural uranium reactor is not proving to be so successful as it was thought it would be, and there is every reason to believe the British are going to go toward the enriched uranium program.

We have heard much about the natural uranium reactor. I think I agree with what the Senator from New Mexico said in principle, but we do not have to build a reactor to get the information. We are entitled to the information from the British, and get a good deal of it without building reactors.

This is a question of whether we should put the reactor into the public domain. That is the difficulty, and that comes about because of the British restrictions on their own program.

Mr. ANDERSON. I say again that the only way it can be put in the public domain is to build a reactor of the Government type, because we are not going to get the information about one which is built by private industry.

I am just as anxious as is the Senator from Iowa—and I know he is very anxious—to have one built by private industry. We are not too far apart on these things.

The main question is, If the Atomic Energy Commission is to go ahead with the program, are we wise in suggesting that they proceed even if they do not

know all the answers at the present time?

We never would have built the atom bomb if we had found it necessary to have an appraisal of the bomb in order to know exactly what the first bomb was going to cost. Can Senators imagine someone walking into the Congress of the United States in 1940 or 1941 and saying, "I want to build a new bomb. I do not know whether it will explode, but I want $2 billion to build it."

The program started with a smaller figure, and certain things were tried out. It was a program which paid off in the long run. We can develop something in this line also.

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

Mr. ANDERSON. I yield.

Mr. HUMPHREY. There are a few points that I should like to clarify for the RECORD.

As the Senator from New Mexico knows, we have had very heated controversies over the rural electric cooperative project. Since it is in the State of Minnesota, I feel that I should attempt to have certain points made very clear.

First let me ask, is it not true that if the cooperative could now enter into an agreement with the AEC under existing legislation it is entirely possible that the cooperative would literally "lose its shirt" if certain operating losses occurred?

Mr. ANDERSON. I do not say that I can guarantee that, but I want to say to the Senator from Minnesota that I have a very deep and abiding respect for the electric cooperatives.

Mr. HUMPHREY. Yes, indeed.

Mr. ANDERSON. As the Senator knows, I once held a position which touched the cooperatives of the country very closely.

Mr. HUMPHREY. Yes; I understand.

Mr. ANDERSON. I have been extremely interested in their programs. A true cooperative has no capital at all, really, because it pays its money out in dividends. It has seemed to me, from whatever public experience I have had, if a cooperative which has an extremely limited amount of capital contracts to take equipment and run it for 5 years, or any other period of time, and the equipment is built and starts working, it is possible to lose a large amount on the difference in cost. If the machine should break down frequently——

Mr. HUMPHREY. That is the point.

Mr. ANDERSON. A large amount could be lost. It could be gone for a long period of time. It would build up again, and there would be a risk involved of losing a tremendous amount of money, with no capital structure to absorb it. That to me is the great danger in this picture. There is absolutely no way to provide for the loss.

Mr. HUMPHREY. However, under the provisions of the bill which the Senator is sponsoring and discussing in this debate, the cost of construction, and operation losses which would occur through a reactor breakdown, for example, would be borne by the Atomic Energy Commission, would it not?

Mr. ANDERSON. Yes. Under the bill we have written, that would be so. It is so written as to make sure that the rural electric cooperatives would not be wiped out overnight.

I am trying to say that if a cooperative, as is the case with the small cooperative in Michigan, has only $18,000 of profit in a year, even though the cooperative could sustain a $40,000 or $50,000 loss in a single year, it would not have to close its doors. I do not say that this deal, which is in the existing provisions, was cooked up to destroy the cooperatives, but it could have been done that way.

We all know that it was not so very long ago when somebody tried to stop the TVA, and brought in some folks and made a Dixon-Yates deal, through the Atomic Energy Commission, to try to kill the TVA. It seems to me logical to assume that the same interests who tried to kill the TVA could set up an REA program which could kill the REA's. I, among others, have merely tried to make sure that that could not happen. We made the bill bombproof in that respect. It cannot happen if Senators accept the language of the Senate bill.

Mr. HUMPHREY. Is it not true that already the estimates of reactor costs for the Elk River plant have gone up substantially, since the original planning?

Mr. ANDERSON. Very substantially, from $4 million to $8 million.

Mr. HUMPHREY. Is it not probable or possible that those estimates may be even further increased?

Mr. ANDERSON. Yes. They have not yet started to build the plant.

Mr. HUMPHREY. So, unless this particular bill is passed——

Mr. ANDERSON. I want to say that it is possible to contract for a good deal of the equipment. I am not trying to say it is not possible.

Mr. HUMPHREY. I understand.

Mr. ANDERSON. We found that out in connection with the Shippingport project. Even though the greatest skill was used and even though we went to somebody with long, long experience in the building of that sort of thing, the Shippingport cost went up tremendously.

Mr. HUMPHREY. Under the pending bill, to which the Senator is directing his support, the increased costs would become a part of the general research and development under the Atomic Energy Commission in the construction of reactors, would they not?

Mr. ANDERSON. Surely. That is correct.

Mr. HUMPHREY. I should like to ask one final question. I notice from the statement of the minority views with respect to section 111 (a)——

Mr. ANDERSON. The minority views on the House side.

Mr. HUMPHREY. Yes. The minority in the other body took sharp exception to section 111 (a). It is stated that the arrangement is such that the Commission will pay for the construction and operation of the reactor and sell the steam under contract with the cooperative or publicly owned organization, at rates based upon present cost or projected cost of comparable steam from a plant using conventional fuels at such locations.

That is true, of course, is it not?

Mr. ANDERSON. That is true.

Mr. HUMPHREY. The statement is further made that this is, indeed, a great preference for the cooperatives and publicly owned agencies. Is that true?

Mr. ANDERSON. No; it is not. There is no preference at all, because the same sort of contract is being made with Duquesne Power & Light Co.

Mr. HUMPHREY. Exactly.

Mr. ANDERSON. I assure the Senator that the Government will lose more money on the Duquesne Power & Light contract, in my opinion, than it will on all four contracts with the cooperatives.

Mr. HUMPHREY. So, what section 111 (a) does, in the light of existing experience and contracts, is to give the cooperatives the same kind of treatment, under research and development, which is at present being extended to industry. Is that correct?

Mr. ANDERSON. That is correct.

Mr. HICKENLOOPER. Mr. President, will the Senator yield on that point?

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. From my point of view, I cannot let the record stand there. The Duquesne Power and Light contract was entered into before the act of 1954; and prior to that act there was no power or authority to allow public bodies, private bodies, private industry, or anyone else, into the reactor field. The Government had to do it all. There was no authority. The Duquesne Power and Light contract was made under that kind of situation. That was the only way it could be made.

Then the act of 1954 was passed, for the purpose of bringing industry, whether it was privately owned industry, whether it was cooperative industry, or whether it was a public body industry, into partnership with the Government. That was progress toward getting away from the sole responsibility of the Government. In my view there can be no comparison whatsoever between the new approach, which is the partnership approach or practice, and the old approach of the Duquesne Power and Light contract, when there was no other way in the world to obtain any industrial participation except under that kind of contract.

Mr. ANDERSON. I point out that it does not matter under what law it was done. If it was done for Duquesne Power & Light Co., owned by the Mellon family and other Pittsburgh interests, there is no real reason why it cannot be done for an REA cooperative.

Mr. HICKENLOOPER. Except that we are taking a step backward.

Mr. ANDERSON. Finally, I point out that in the bill the Joint Committee on Atomic Energy eliminated the reactor which was to be built in Puerto Rico by the Government, in connection with which the very same thing was to be done by the Government. In other words, it was to take the steam and sell it at a certain price, as is proposed here. Somehow it is all right if it is done in Puerto Rico, but for heaven's sake, do not do it for an REA in the United States.

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

Mr. ANDERSON. I yield.

Mr. HUMPHREY. It seems to me that if the example of the Senator from Iowa were to be followed, the REA cooperatives would not be permitted to participate. The Senator from Iowa referred to the Duquesne Power & Light contract, which was entered into prior to the act of 1954. That was the only way to proceed to absorb the costs, namely, for the Government to construct the plant and take all the losses that might be entailed. If we were to follow the philosophy of the 1954 act, as the Senator from Iowa interprets it, it would mean that the REA's could never get into this business, because they do not have the necessary capital reserves to take this kind of loss, which occurs in an uncharted field such as atomic energy development.

Mr. ANDERSON. That is true.

Mr. HICKENLOOPER. The REA cooperatives are in the business now.

Mr. HUMPHREY. Of course; but they are not in the atomic energy business very deeply. They have very little experience.

Mr. ANDERSON. I certainly would acknowledge that members of the Joint Committee did a very good job in writing the Atomic Energy Act of 1954. I spent very little time working on that act. The Senator from Iowa did a fine job. The Senator from Iowa and I do not often find ourselves in opposition with respect to many questions before that committee. We differ on certain questions of procedure. However, it is true, of course, that before the act of 1954 there was no other way to handle the problem.

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

Mr. ANDERSON. I yield.

Mr. DWORSHAK. Some of the questions which I had in mind have been answered by the colloquy between the Senator from Iowa and the Senator from New Mexico.

I should like to point out that during the weeks while this proposed legislation was being discussed and debated by members of the Joint Committee on Atomic Energy there were frequent articles in the press injecting the public versus private power issue into the development of atomic energy.

The Senator from Idaho recalls with a great deal of regret that in the development of hydroelectric power in the Columbia River Basin we have been retarded materially because of this divisive issue. It should not obstruct the development of our natural resources in the great Northwest.

So far as the issue of public power is concerned in the development of atomic energy, we must recognize that the Government currently has about $14 billion invested in research, technological development, and facilities, and that it is not essentially a question of who is going to do what when, but rather a question of the legitimate right of the taxpayers of the United States to some definite returns and benefits from the investment of the $14 billion by the AEC in this entire program.

Reference has been made this afternoon to the Duquesne Power & Light plant at Shippingport. It is supposed to be a partnership plant. Can the Senator from New Mexico tell us what the total cost of that plant is, and how much of the total cost is invested by a private utility, and how much by the AEC for the Government?

Mr. ANDERSON. I will say to the Senator from Idaho that I shall try to do so, but when the costs are moving up all the time it is difficult. I will give the latest current estimate.

It started with an estimate of about $35 million. Refiguring brought it to $37 million, of which Duquesne Power & Light Co. was to put up $5 million.

In addition, Duquesne Power & Light Co. was to provide the site and build the turbo-generating facilities. Subsequently the United States Government spent a great deal of money in research.

The last estimates I saw as to the total amount of research were somewhere in the neighborhood of $30 million.

The latest estimate which I have seen as to the total cost of the plant is something like $55 million. So we have a total of $85 million for research and plant. One of the men intimately connected with the operation said to me, "When it is all done, the tab will come to about $100 million."

One reason I say that is that this is an extremely difficult field. Some of the most competent people I know of were engaged in estimating the cost of the Shippingport plant. I said to Admiral Rickover one day, "Please tell me why you miss so many things so far." I have the greatest respect for him. I think he is an authentic genius, who has done a marvelous piece of work.

He said, "When you start to handle a tube 24 inches around, and you figure on the basis of the cost of handling a tube 6 inches around, you find that the cost of handling the larger tube is not 4 times the cost of handling the smaller tube, but more nearly 8 or 10 times. It requires entirely different techniques, devices, and equipment."

So the estimate is somewhere between $85 and $100 million.

Mr. DWORSHAK. How much of that has been put up by the Federal Government?

Mr. ANDERSON. All but $5 million.

Mr. DWORSHAK. Does the Senator believe that the rather preponderant investment by the Federal Government in the Duquesne Power & Light plant, which will be operated by a private utility, in any way involves the element of public power?

Mr. ANDERSON. Not in the slightest. Further, even though a great deal of money is involved, it is justified. The Yankee project comes along and builds a plant in the image and likeness of what is being built at Shippingport. We shall probably sell a reactor to Italy on the basis of what is being done at Shippingport. Our whole atomic energy industry might well depend upon what is being done at Shippingport. So whatever the cost is, it is justified.

Mr. DWORSHAK. Does the Senator from New Mexico believe that the pattern established in the development in the plant at Shippingport should be applied generally to make available participation in the program by cooperatives which are now interested in the program? Should the same pattern be followed, not only in the case of private utilities, but in the case of other non-Federal groups?

Mr. ANDERSON. To a degree. The situation in Nebraska is a case in point. That project will cost about $50 million, as against $80 million at Shippingport. If the Nebraska public-power group were asked to put up $50 million, I doubt if they could do it. If we should ask the Elk River cooperative to put up 10 percent of the $8 million for its plant, it could not do it. It has no capital structure, and no borrowing capacity for that type of investment. But, in general, I believe it is desirable for the Government to build the nuclear end of these plants, until they are more economical than they are now, coupling it to the turbogenerating facilities paid for by the plants, and try to get on with a decent program of atomic-energy development.

Mr. DWORSHAK. If it is necessary, to take advantage of the vast research and technical knowledge which the Government has available for atomic development, to make participation available for other groups; if the AEC finds it difficult, if not impossible, to get cooperation from private utilities or other non-Federal groups, and the AEC decides to build a plant such as has been described, using natural uranium, does that involve the element of public power, if such power is to be used exclusively by the AEC, and not sold to public consumers?

Mr. ANDERSON. No; it would not involve the issue of public power in the slightest degree. Let me say to the able Senator from Idaho that when we discussed a possible location for a plant of this nature, those most familiar with the construction, and who might undertake it, suggested that it be built in the area near Arco, Idaho. If that were done, current would undoubtedly be available at the installation there, through the operations of the Idaho Power Co. I do not believe the Idaho Power Co. is a cooperative. It is a private company. To me it would seem eminently fitting and proper to make the same sort of arrangement with the Idaho Power Co. that was made with the Duquesne Power & Light Co. They distribute energy from the Government installation which they are now serving.

Mr. DWORSHAK. The Senator from New Mexico apparently believes that after the AEC and the Federal Government have invested about $14 billion in this developmental program, it is not so much a question of whether private utilities, cooperatives, or other groups take advantage of the valuable research and engage in the generation of nuclear power. The important thing is that, as in the case of the *Nautilus*, the American people should be afforded an opportunity to utilize all the research which has been developed in this country, primarily to keep abreast of, if not ahead of, other countries in the world, as a very vital part of our national security.

Mr. ANDERSON. I could not agree more with the Senator from Idaho. One of the proudest possessions I have is a little card which makes me a member of the nuclear Navy. That is reminiscent of an early trip I made on the *Nautilus* while it was on a test trip.

One of the most glorious things that American ingenuity has done is the building of the *Nautilus*. On the first trial, it seemed to work perfectly. It has cruised for thousands of miles under the most remarkable conditions. I want the American Nation to keep abreast of such developments.

Mr. DWORSHAK. If we fail to do it, either through Commission responsibility or our committee responsibility, then those in authority will be rendering a distinct disservice to the American people.

Mr. ANDERSON. I quite agree with the Senator from Idaho. I wish to say to him that I have heard some things recently about how the Joint Committee on Atomic Energy is trying to take over the operation of these projects and shove the Atomic Energy Commission into things it does not want to do. Let me cite two examples.

The Joint Committee urged the development of the hydrogen bomb when the Atomic Energy Commission did not want to do it. I can say that openly in public, because I was not a member of the Joint Committee at that time. The members of the Joint Committee never gave up, even though the President of the United States had some doubts, even though the advisory committee of the Atomic Energy Commission was almost unanimously against it, and even though a majority of the Atomic Energy Commission opposed the project. The Joint Committee on Atomic Energy demanded that we start the development of the hydrogen bomb. A great part of our defense now rests upon the striking power developed by our Armed Forces through that bomb.

Secondly, Mr. President, I again refer to the *Nautilus*. Early in my experience with the Joint Committee on Atomic Energy, I went to a meeting in which they said they would have Admiral Rickover come before them. The name Admiral Rickover did not mean anything to me. I did not know whether he was the Chief of Naval Operations or newly commissioned. I found that he was having great difficulty with his project to build a nuclear-powered submarine. It had been turned down and kicked around, and he was given very little support. The Joint Committee on Atomic Energy came to his support.

Again I say that without appearing immodest, because I had nothing to do with it. The other, older and seasoned members of the committee took on the fight and insisted on giving Admiral Rickover authority to build the submarine.

Today it is a great source of pride to everyone in America. But nobody thinks of it today when they think the Joint Committee may be stepping out of its field in suggesting the construction of a gas-cooled natural uranium reactor to be built somewhere in the United States. I am not going to apologize for the history of the Joint Committee on Atomic Energy, nor for any of the things it has done. It has done them well.

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

Mr. ANDERSON. I yield.

Mr. COOPER. Perhaps the Senator has already touched on the question I wish to raise. However, as I look at the amendments which have been suggested, there are certain sections on which there may be conflict between the Joint Committee on Atomic Energy and the AEC. On page 2, line 19, I note project 58-b-8. Does the Senator care to discuss that project, and whether there is a difference between the judgment of the Joint Committee and the AEC, and what the significance of the project is?

Mr. ANDERSON. I should like to say to my good friend from Kentucky—and I know he will not misunderstand me—that I have been on the floor about 3 hours now. I imagine the Senators who are still on the floor are as tired of hearing me as I am of being here. The Senator from Washington [Mr. JACKSON] is going to discuss these items in a moment, if I can conclude my statement on the bill. I would prefer to have him do it. I am ready to do it and I am willing to do it, but he is also ready and willing to do it. If the Senator from Kentucky does not mind, I would like to have the Senator from Washington do it.

Mr. COOPER. I do not wish to impose on the Senator.

Mr. ANDERSON. I do not regard it as an imposition. I know the Senator from Washington will do it in a moment.

Mr. COOPER. May I ask a question?

Mr. ANDERSON. I yield for a question.

Mr. COOPER. Am I correct in saying that the project which I have just mentioned, which is described, in part, on page 2 of the bill, and the project which is described, in part, on page 5, as project 15, are——

Mr. ANDERSON. Those are the principal items. There are three, I may say to the Senator.

Mr. COOPER. Those are the projects about which there is controversy?

Mr. ANDERSON. If the Senator from Iowa [Mr. HICKENLOOPER] were here, I am sure he would not dispute this statement. There are three main points of difference. One is the question of $58 million for these new projects. Another is the question of how to treat REA. I think those cover the projects. The item on page 2, of $3 million, is for a study of a method of developing plutonium. We think we know about that item. At long hearings participated in by all the members of the Joint Committee, or at least a great many members of the Joint Committee, we had witnesses from the armed services telling us about the need for plutonium. We do not say that the AEC must construct a single-type reactor. The bill provides that the Commission shall study the advantages of a single-purpose reactor and of a dual-purpose reactor.

It has been said that we are attempting to build a dual-purpose reactor so that we can sell the power produced by it. That is not true. The Joint Committee took a vote on the question. It was decided that it could be either a single-purpose reactor or a dual-purpose reactor. It would depend on what was wanted.

The able Senator from Washington [Mr. JACKSON] will point out that the superintendent of the plant says they are ready to go ahead. The whole plant may cost $100 million. However, it must be remembered that the reactors are getting older. We do not want to find ourselves unable to produce plutonium.

The other items have to do with a natural uranium reactor, which the Senator from Idaho and I have been discussing. That is the item on page 5.

The third item is the plutonium recycle experimental reactor. We believe this country needs to know how to burn plutonium. We will take a great deal of plutonium from the reactors in projects under construction or about to be built. The question is, when we take it from them, will we know what to do with it, or will we have to use it for weapons? Is the only use for plutonium to be in the production of weapons? Can we not have atoms for peace? We believe that we should have atoms for peace. Therefore we believe that we should spend a small amount of our money for a plutonium recycle plant. The sole purpose is not to provide power, but only to try to learn how to burn plutonium.

Mr. COOPER. I thank the able Senator. I hope that later, when he has rested for a time, he will again speak on this subject, because as I understand, what I have mentioned are the points in dispute.

Mr. ANDERSON. I will finish in about 2 or 3 minutes, and then the Senator from Washington will deal with it very carefully, I am sure.

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

Mr. ANDERSON. I yield.

Mr. WILEY. The three points the Senator has enumerated are the differences between the House bill and the bill before us. Is that correct?

Mr. ANDERSON. The Senator is correct.

Mr. WILEY. Those are the three differences?

Mr. ANDERSON. They are. The Senator from Washington reminds me, however, that the $3 million is in the House bill. That was stricken at one time on a teller vote, and then reinstated on a yea and nay vote in the House. I believe there will be a motion made this afternoon to strike it out. However, it is still in the bill.

Mr. WILEY. On page 15 in the House bill, is the provision "may" or "shall"?

Mr. ANDERSON. The House bill provides neither. That section was knocked out, and some wholly different language was inserted.

Mr. President, these reactors will be explained at greater length later. Their total cost is estimated at $58 million. This compares to $150 million requested by AEC for this fiscal year covering two large reactors and several small ones, which was turned down by the Bureau of the Budget.

Now the Members of the Senate have heard members of the Joint Committee on Atomic Energy discuss atomic power

enough to know that when we speak of a reactor we mean the same thing as an oil- or coal-fired boiler in a conventional electrical power plant. In this case uranium is the fuel, and a nuclear chain reaction takes place in a pressure vessel which generates heat. The energy of this heat is taken off by various coolants—water, liquid metals, or gas—which in turn go through heat exchangers to make steam which generates electrical power.

It should be emphasized that the electrical power produced by the gas cooled and recycle reactors, since they are experimental, will only be intermittent with frequent shutdowns. Moreover section 110 provides that the power such as it is will be absorbed at the AEC installations, probably Arco, Idaho, and Hanford, Wash. Not a kilowatt of power will be sold commercially. When the AEC is through experimenting with them, the reactors will be dismantled and the bill so requires.

The question arises: Can this truly be a public power versus private power argument?

But there is an issue here. It is the issue of whether we want to move ahead. The Joint Committee thought the above program represented the very minimum necessary to maintain American leadership in atomic power.

Similarly the Joint Committee has established some requirements with respect to the role of cooperatives and publicly owned groups. Since this is essentially still a research and development program, we have required that AEC supervise the development and construction of these reactors directly with the equipment manufacturer. This is ordinary prudence and was indeed requested by one organization.

The committee has also required that the AEC contract with the co-op for operations in such a manner that the co-op will not lose its shirt through fixed ceiling or closed-end allowances by AEC to cover operating losses. The members know, rural electric co-ops by law have no reserves to cover contingencies in research and development operations. As a matter of fact, and it is no reflection on the co-ops, they have little or no experience or capacity to carry on large-scale supervision of atomic development work.

I should like to emphasize that with respect to the reactors authorized by the Joint Committee and those in the co-op program, the actual development and construction of these reactors will be carried on by private industry. All of AEC development plants and test sites are operated by private industry. Hence when a particular laboratory, by reason of its experience, is suggested, it automatically follows that the contract goes to the industrial operator.

This, of course, is not favoritism. Indeed AEC has well established policies which prevent their industrial contractors from favoritism for their own commercial products. I ask unanimous consent to insert a letter of AEC on this subject for the RECORD.

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

Hon. CARL T. DURHAM,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. DURHAM: This will confirm my conversation of August 5, 1957, with Mr. Ramey concerning the procurement practices of the General Electric Co. at Hanford and the Westinghouse Electric Corp. at Pittsburgh and NRTS in Idaho.

With respect to procurement by the General Electric Co. under contract W-31-109 ENG 52 to operate the Hanford project, standard practice is to award contracts after solicitation, receipt, and evaluation of competitive bids. Any proposed procurement in excess of $10,000 is subject to prior review and approval by the Hanford Operations Office AEC staff. GE does not purchase directly from sources of supply which they own or control. When items of a type produced by GE or a GE subsidiary are needed for the project, the procurement is undertaken by the AEC. In such cases, standard Government procurement practice is followed.

With respect to procurement by the Westinghouse Electric Corp., under contract AT-11-1-GEN-14, to perform work at Bettis plant, Pittsburgh, and at NRTS in Idaho, the standard practice is to award contracts after solicitation, receipt, and evaluation of competitive bids. Any proposed procurement in excess of $10,000 is subject to prior review and approval by the AEC staff. When items or services of a type sold by Westinghouse are needed on the projects, purchases thereof are subject to the following additional controls:

1. Orders under $500 may be placed on Westinghouse without competitive bids. Such orders must carry a certification that the sales price is not higher than those currently charged to any nonaffiliated user customer for equivalent articles furnished in substantially the same quantities.

2. AEC approval is required for Westinghouse orders involving amounts from $500 to $10,000 unless competitive bids are solicited and award made to lowest responsible bidder. AEC approval is also required when competitive bids are solicited and an award is recommended to Westinghouse as other than low bidder. Invitations to bid on such procurements must be submitted to AEC in advance of distribution to prospective bidders for review and approval of the specifications and the prospective bidders list.

The AEC basic procurement policy with respect to procurement from contractor controlled sources provide, "The contracting officer shall be notified sufficiently in advance of the proposed procurement of supplies or services from sources owned or controlled by a cost-type contractor to permit the AEC, at its option or by agreement with the cost-type contractor, to effect the procurement directly by competitive or other authorized methods."

We shall be pleased to furnish any additional information you may desire on this subject.

Sincerely yours,

K. E. FIELDS,
General Manager.

Mr. ANDERSON. Mr. President, in conclusion, I should like to review how the Joint Committee selected the projects we have included in the bill. The Joint Committee as you know has always prided itself on being in the forefront of atomic energy development. In 1953, for example, we sponsored the so-called 5-year reactor program, for the development of experimental reactors of around 5,000 kilowatts each. These reactors, such as the Argonne experimental boiling water reactor and the North American sodium graphite reactor, which began operation this year, are AEC-financed and Government owned.

Although the AEC has made progress in its experimental reactor program—and indeed may have spread itself thin—AEC has shied away from developing larger scale prototype reactors, except the Shippingport reactor which Congress sponsored in 1953. The Shippingport reactor will go into operation this winter and is Government financed and owned, except for the turbogenerating facilities provided by Duquesne Power & Light.

AEC, instead of vigorously moving ahead, has followed a somewhat involved path of providing subsidies to private utilities to build atomic plants. Unfortunately because of the development problems and unanticipated costs, the program is lagging badly. The AEC has become bogged down in negotiations of from 16 to 27 months with participants and still there are no firm contracts, except with Yankee, a private utility.

It is true that two privately financed projects are in the early construction phase, those of Commonwealth Edison and Consolidated Edison. But no new wholly privately financed projects have been even announced in the last year, let alone seriously proposed.

Meanwhile all projects—Government, private, and co-op—are troubled by increased costs and slippages in schedules.

It can be predicted that unless more leadership and funds—private and public—are provided, the program will further lag.

It was with these emerging problems and international stakes that the Joint Committee reviewed the program last year. We obtained the outstanding reactor expert, Dr. W. H. Zinn, who outlined the types of reactors which might be selected if the Congress and AEC decided to fill the gaps and accelerate the program.

This year the Joint Committee also reviewed the program and received testimony from reactor equipment companies, AEC installation directors, and outside experts. The types of reactors recommended by the Joint Committee were recommended by such qualified experts as Dr. Henry DeWolf Smyth, Admiral Rickover, and Dr. Zinn.

The program we are recommending is indeed a very modest one. It will help keep our heads above water in international competition. I have a feeling we shall need all the power we can develop in this country sooner than we think.

On this basis, I commend this bill to the Senate.

Mr. President, I yield the floor.

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. KNOWLAND. 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. HICKENLOOPER. Mr. President, I call up my amendment designated as "8-15-57-B," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, it is proposed to strike out from line 9 through line 15, as follows:

14. Project 58-e-14, natural uranium, graphite moderated, gas cooled, power reactor prototype designed for the production of approximately 40,000 electrical kilowatts, $40 million.

15. Project 58-e-15, plutonium recycle experimental reactor designed for the production of 15,000 electrical kilowatt equivalent, $15 million.

Mr. DWORSHAK. Mr. President, will the Senator from Iowa consider dividing the amendment, so the two projects will not be covered by the one amendment?

Mr. HICKENLOOPER. I should like to discuss that a little later with the Senator from Idaho. First, I should like to say a few words about the amendment; then we can discuss that possibility.

Mr. President, this amendment, which is designated as "8-15-57-B," proposes that there be stricken from the bill, on page 5, the text of lines 9 through 15, which in the bill are designated as paragraphs 14 and 15, and relate to projects 58-e-14 and 58-e-15, respectively.

These projects provide for two reactors. These two paragraphs were stricken out by the House of Representatives in the action it took on the House bill.

Paragraph 14, which relates to project 58-e-14, proposes the appropriation of $40 million for the construction of a natural uranium, graphite moderated, gas cooled, power reactor prototype designed for the production of approximately 40,000 electrical kilowatts of power. That reactor is one which the Atomic Energy Commission does not want to build, and has not requested authority to build, except in the event that no offer to build such a reactor is received from private sources. However, such a proposal has, in fact, been received. The Commission is against building it. It requires the expenditure of $40 million, which I think would be a needless expenditure, and should not be made.

The project covered in paragraph 15, namely, project 58-e-15, is a plutonium recycle experimental reactor designed for the production of 15,000 electrical kilowatts of power, or the equivalent thereof, at a cost of $15 million. This is a reactor which the Commission does not desire to build at this time.

The Commission is doing some work in regard to plutonium recycling and the production of power, and is doing some testing and some research and development in that field. But the Commission is not ready to build this reactor, and has not asked for it. These are 2 items, totaling $55 million, which the committee is attempting to force on the Commission, against the better judgment of the Commission and against the wishes of the Commission.

In the case of the $40 million research reactor, which is the natural uranium reactor, the best evidence we have received, I believe, in total, is that this is not necessarily a promising type of reactor. I think the evidence in the British experiment and the British experience should cause us to halt before we spend a great deal of money on a type of reactor which the British seem to be discarding.

As I said a moment ago, the British have been developing this type of reactor; and there are, indeed, indications that the British are abandoning this design. Instead of using natural uranium, the British have asked the United States for substantial quantities of enriched uranium, to use on their future models. If there could be a clear indication that the natural uranium reactor is not doing quite as well as they had hoped, it would be that request. Therefore, Mr. President, it would seem folly for us to consider a natural uranium reactor, which the British now consider obsolete.

As has been pointed out heretofore in the debate, in addition we have with the British a bilateral agreement for cooperation, which agreement allows our Government to receive and evaluate all information concerning the British developments on this type of reactor. Inasmuch as the United States has access to that type of information, I believe it safe to say that if the information we have on the natural uranium type of reactor were encouraging, our Commission would want to build one, and would want to be in on that experiment. That is because the Commission, contrary to some of the insinuations we hear from time to time, has not been dilatory in the reactor field. We have today under active experiment and development at least ten types and kinds of reactors. We have altogether under consideration and under certain degrees of experimentation more than 100 types and kinds of reactors. We are far in the lead in the reactor field over any other country in the world.

I for one—and in this the Commission agrees with me, or I agree with the Commission, whichever it may be—think it would be a waste of $40 million of the taxpayers' money, at this time at least, to build the reactor provided for in the first amendment. We are continuing experiments in the natural fuel reactor field, and if the information in the future develops anything of promise, very well; but today, no. The committee is undertaking to dictate to the Commission, which is a responsible body, and which has the benefit of the field of scientific advice as to the types and kinds of reactor which it should build.

It is interesting to note that leading reactor experts, such as Dr. Smyth, Dr. Zinn, and Dr. Weinberg, have indicated very clearly they think it is unwise for the Congress to specify particular types of reactors for the AEC to build, except as scientific research and determination of the Atomic Energy Commission indicate, based on evidence, the desire to build them.

Mr. President, I wish to read a telegram sent by Dr. Henry D. Smyth, who, incidentally, was the author of the Smyth report on atomic energy following World War II, a telegram which he sent to Representative STERLING COLE, who is a member of the Joint Committee from the House, and was the former chairman of the Joint Committee. The telegram reads:

PRINCETON UNIVERSITY,
Princeton, N. J., August 2, 1957.

Representative STERLING COLE,
House of Representatives,
Washington, D. C.:

As stated in letter of June 27, to Mr. HOLIFIELD, believe Federal Government should give vigorous leadership to nuclear power program. Nevertheless believe it mistake in principle for Congress to insist on construction of a specific reactor. Such technical judgments are responsibility of the Commission and its staff. Furthermore would oppose choice of gas-cooled natural uranium graphite moderated reactors unless clearly a technical advance over British type as to temperature and other specifications.

HENRY D. SMYTH.

Dr. Smyth was also a former member of the Commission itself. There are two significant statements in the telegram. First, he clearly points out that Congress is on dangerous ground when it begins to specify technical construction to a Commission whose duty it is to make those determinations from an administrative and a research standpoint. Secondly, with regard to the British reactor, which we hear so much about, he says this, which is significant:

Furthermore would oppose choice of gas-cooled natural uranium graphite moderated reactors—

And this is the interesting part—

Unless clearly a technical advance over British type as to temperature and other specifications.

There is a pretty authoritative statement, Mr. President, that the British type of natural uranium reactor is not the success they had hoped it would be. Yet the Congress is undertaking to order the construction of a technical instrument which the Commission does not want to build, and does not think it is vital to build.

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

Mr. HICKENLOOPER. I yield.

Mr. DWORSHAK. There have been recent reports that the Japanese are contracting with British firms for the purchase of Calder Hall type of plants. Does the Senator from Iowa know whether that is true or not?

Mr. HICKENLOOPER. Yes. From all the information I can get, I think the information is sufficient to affirm it is true that the Japanese have been discussing the purchase of or the building of a Calder Hall type of natural uranium reactor; but I have in mind that the situation is similar to that of a person who is thinking about buying a new automobile. He talks first to one dealer, and then is very careful to let that dealer see him go to another dealer. Then he lets the latter dealer see that he is inquiring of another dealer. Pretty soon he thinks perhaps he can get a better deal from the one he really wants to buy from, which, in the case of Japan, is the United States Government. Japan wants an enriched uranium reactor. If I were one to make predictions, I would predict the Japanese will never buy the natural uranium reactor of the Calder

Hall type. I think it is sales talk. I think the Japanese are in need of an atomic reactor, but I venture to say—I think the chances are good, at least—that they will never consummate a contract for the purchase of a Calder Hall type reactor. There has been much said about it in the papers, but I have not seen any evidence of any names on the dotted line or yen flowing from Japan to Great Britain for a Calder Hall type reactor.

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

Mr. HICKENLOOPER. I yield.

Mr. PASTORE. Is it not a fact that the Atomic Energy Commission, on round 3, is considering, for a Florida group, a gas-cooled, water-moderated reactor of 140,000 kilowatts, using natural uranium?

Mr. HICKENLOOPER. Yes. I mentioned that a little while ago.

Mr. PASTORE. If it is no good, why are we going to license the group interested in it? Are we not talking out of both sides of our mouth?

Mr. HICKENLOOPER. Not at all. I pointed out about an hour ago that the AEC made a tentative request for $50 million for a natural uranium reactor in the event it did not get an offer from private industry to build one. It now has that proposal from Dr. Zinn's group.

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

Mr. HICKENLOOPER. I yield.

Mr. PASTORE. Is the Senator in his own mind convinced that if we try one type in one field, in one area, that will be enough in the matter of research for the peaceful use of the atom?

Mr. HICKENLOOPER. No. The Senator from Rhode Island was not present on the floor a moment ago when I said we are not now building and conducting research in at least 10 substantial types of reactors, and that we are conducting research in various States into more than 100 types of reactors. So we are not standing still. We are not sitting on a dime.

Mr. PASTORE. Is it not true that as yet not one has been put into operation? The only one, on a rather large scale, that is about to be put into operation, it will be next winter—is at Shippingport. Apart from that one, are there any others?

Mr. HICKENLOOPER. We have had one at Arco for several years. It has been producing light for a certain part of that plant. We have a plant in operation that has driven the *Nautilus* I do not know how many thousand miles.

Mr. PASTORE. The reactor in the *Nautilus* is not for the purpose of producing nuclear power.

Mr. HICKENLOOPER. It is a power reactor.

Mr. PASTORE. It is exactly like the one at Shippingport. It uses pressurized water. We are experimenting in the atomic-energy field in New England. Again all that is on paper, none of the reactors is in physical construction. The Senator knows that.

Mr. HICKENLOOPER. My heavens.

Mr. PASTORE. What does the Senator mean when he says "My heavens"? Where are we constructing them?

Mr. HICKENLOOPER. We are constructing them at a dozen places in the country.

Mr. PASTORE. I ask the Senator to name them.

Mr. HICKENLOOPER. Let us take a look at them.

Mr. PASTORE. Let us take two looks.

Mr. HICKENLOOPER. At Shippingport there is physical construction.

Mr. PASTORE. That has been mentioned. Where else?

Mr. HICKENLOOPER. At Santa Susana, the West Milton reactor.

Mr. PASTORE. How big is that?

Mr. HICKENLOOPER. It is a small one.

Mr. PASTORE. Has that not been dismantled?

Mr. HICKENLOOPER. It has been discontinued. We have learned our lessons from it, but it was a reactor. It was a reactor that was built.

Mr. PASTORE. Is the Senator going to place that one in the same category as Calder Hall?

Mr. HICKENLOOPER. Not necessarily. There is nothing magic about the Calder Hall reactor, except I believe it is a failure as an experiment. Why should we spend $40 million on a failure?

Mr. PASTORE. That is a point of view. I am looking at Nuclear Power, the Journal of British Nuclear Engineering. I observe what they have to say about it. Perhaps the Senator does not quite agree with the British point of view, but they are pretty much satisfied. They think they have outdistanced the entire world. As a matter of fact, they have attracted other people to consider their type of reactor.

It may be said that the Japanese will never buy the reactor, but the fact of the matter is that the Japanese are interested.

Mr. HICKENLOOPER. They are shopping.

Mr. PASTORE. Is it a fact that the Three Wise Men who came to America are interested in the Calder Hall type of reactor?

Mr. HICKENLOOPER. Yes.

Mr. PASTORE. Let us not play it down too much. This is what the British had to say, as stated on the editorial page of the publication called Nuclear Power:

> Yet the question of enriched or natural uranium is by no means settled, as Dr. Lewis points out in this issue. The Euratom report and other estimates have proved quite conclusively that power can be produced in the British type of gas-cooled graphite-moderated reactor cheaper than in any other current design of comparable size, in practically any country—even the United States itself, according to one American estimate.

That is what the British think about their reactor.

Mr. HICKENLOOPER. Yes.

Mr. PASTORE. That does not sound as though they think it is no good.

Mr. HICKENLOOPER. I presume that the British will assert in any field of activity they go into that they are superior, that they are more successful, and all those things, but after a while I am going to point out what I think is some significant evidence that the British are backing away from that idea.

As I pointed out a while ago, the British are now coming to us, hoping to get some enriched material for their reactors.

Mr. PASTORE. Has the Senator finished naming the list of the locations of these reactors which are already being used in America, and stating how large they are?

Mr. HICKENLOOPER. The size is not necessarily the controlling thing. We have reactors. Hanford has a number of them. Of course, those are plutonium reactors.

Mr. PASTORE. Will the Senator yield further?

Mr. HICKENLOOPER. We have the Army package power reactor, which we dedicated just the other day.

Mr. PASTORE. How big is that?

Mr. HICKENLOOPER. I do not know.

Mr. PASTORE. Two thousand kilowatts. We can even talk about flashlights, if we want to, this afternoon. The fact of the matter is that I am referring to a large, full-scale reactor.

Mr. HICKENLOOPER. We are talking about $40 million worth of wasted money of the Government.

Mr. PASTORE. We are not talking about wasting any money. We are talking about a $40 million investment for a 40,000-kilowatt production. That is a pretty fair-sized project.

Mr. HICKENLOOPER. That is correct. We could learn just as much from a smaller one.

Mr. PASTORE. That is not what Dr. Zinn says. Dr. Zinn says it is necessary to have a full-scale reactor in order to see how these projects work.

Mr. HICKENLOOPER. We can get testimony from the experts that anything less than a 100,000-kilowatt reactor is not sufficient. We can get expert opinions as to the size, but we can learn lessons from the smaller ones.

Mr. PASTORE. Is it not true that Dr. Zinn is the man who is at the head of the Florida corporation, the man who is talking about the gas-cooled natural-uranium reactor, and who is now negotiating a contract with the AEC?

Mr. HICKENLOOPER. He is using heavy water. When it comes to the question of a heavy-water moderated natural-uranium reactor, that may be one of the reasons—though I do not know—why the British are not having any success. They do not have heavy water in Britain. We have it here. They are using another type of moderator.

Mr. PASTORE. Will the Senator yield further?

Mr. HICKENLOOPER. I yield.

Mr. PASTORE. Does the Senator not feel that natural uranium, accessible and available as it is, would be valuable, and that it would be worthwhile for American industry and for the Atomic Energy Commission to experiment further on the use of natural uranium? Is that not the testimony that came before our committee?

Mr. HICKENLOOPER. There was some testimony to that effect. I have read Dr. Smyth's telegram, in which I think he made some significant statements.

Mr. PASTORE. Would the Senator mind hearing a quotation from Admiral Rickover, and one from Dr. Zinn?

Mr. HICKENLOOPER. I do not mind.

Mr. PASTORE. Let me read this quotation from Dr. Zinn, taken from the hearings:

If the only reactors which the United States has to offer in the foreign market are fueled with enriched uranium, we are missing out on a rather important point. I believe there are many countries which cannot afford to base all of their nuclear power on enriched uranium imported from just a few places.

They will want to have access to the possible worldwide market for natural uranium. So as long as a natural-uranium reactor is not in our portfolio, so to speak, of reactors, we are cutting out from our possible foreign market a considerable slice of opportunity. I think this is abundantly clear.

Would the Senator say that the natural uranium reactor such as is suggested in this bill is no good?

Mr. HICKENLOOPER. Let us bring back the witness which the Senator has called before the Senate. Let us bring him in again for either direct examination or cross-examination.

Mr. PASTORE. Very well.

Mr. HICKENLOOPER. I wish to read a telegram from Dr. Zinn, under date of August 4, addressed to Representative COLE, which is included in the RECORD of August 9, at page 14253.

Here is the significant thing: I hope Senators will bear in mind that the AEC is experimenting and conducting research on natural uranium at the present time.

Mr. PASTORE. Where?

Mr. HICKENLOOPER. In their laboratories.

Mr. PASTORE. Not with a full-scale reactor?

Mr. HICKENLOOPER. No, not with a full-scale reactor, but they are trying to develop the methods which will warrant their eventually building a full-scale reactor.

Let me read what Dr. Zinn said. He is a great scientist. This is under date of August 4, 1957:

HON. STERLING COLE,
House Office Building,
Capitol, Washington, D. C.:

In reply to your telegram and question of August 2. I believe the United States of America program must include natural uranium power reactors.

There is no dispute on that point.

Mr. PASTORE. Would the Senator mind reading that quotation again?

Mr. HICKENLOOPER. Did the Senator not hear it?

Mr. PASTORE. I was distracted; I am sorry.

Mr. HICKENLOOPER. I shall read it again, for emphasis:

In reply to your telegram and question of August 2. I believe the United States of America program must include natural uranium power reactors.

Mr. PASTORE. I thought that was what I heard the Senator read.

Mr. HICKENLOOPER. I shall be happy to read it again for the Senator, if he did not hear it, or if he feels there are those who did not hear that statement.

Mr. PASTORE. I thought it was my own echo.

Mr. HICKENLOOPER. Nobody disagrees with that statement. The Commission does not disagree, that the natural uranium field is one which has to be explored. That is not the issue. The issue is whether we should spend $40 million on a type of natural uranium reactor which the evidence seems to prove has not been reasonably successful.

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

Mr. HICKENLOOPER. Let me finish quoting from Dr. Zinn's telegram.

Mr. PASTORE. Certainly.

Mr. HICKENLOOPER. I continue:

Because of high temperature potential gas cooling should be added to our development program. I have made similar statements to the joint committee several times and in my view these items involve policy decisions for our atomic program. I have no special competence to comment on Government administration procedures. In my view, specification details such as combination of fuel and coolant, moderator choice, size, and cost estimates should be left to AEC and responsible contractors.

I am sure the Senator did not hear that, so I am going to read that particular statement again.

Mr. PASTORE. I am listening.

Mr. HICKENLOOPER (reading):

I have no special competence to comment on Government administration procedures. In my view, specification details such as combination of fuel and coolant, moderator choice, size, and cost estimates should be left to AEC and responsible contractors.

That is Dr. Zinn speaking.

Now the Congress is attempting to dictate to the AEC the type and kind to work on, exactly contrary to his statement.

Mr. PASTORE. Mr. President, will the Senator yield at that point?

Mr. HICKENLOOPER. I yield.

Mr. PASTORE. I do not think Dr. Zinn's statement means any such thing. As a matter of fact, this appropriation is being authorized for the AEC to make the determinations, just as Dr. Zinn said they should make them. We are not telling them which to make. We are simply telling them along what fields they should pursue the research, and we are making money available in order that they can do it. The type of reactor, the engineer to do the work, and such decisions naturally are to be left to the AEC.

Mr. HICKENLOOPER. Let me read what Congress is telling the AEC to do, and then again read Dr. Zinn's statement.

Mr. HUMPHREY. Mr. President, will the Senator yield in order that a layman can ask a question?

Mr. HICKENLOOPER. I yield.

Mr. HUMPHREY. I realize I am treading in the field of experts. I respect both distinguished Senators, the Senator from Iowa and the Senator from Rhode Island, for their expert knowledge. However, when we are talking about the natural uranium reactor, is that the British type?

Mr. HICKENLOOPER. That is the Calder Hall type, the British type.

Mr. HUMPHREY. Is that the type to which the Senator has been referring, for which the $40 million is supposedly to be dedicated?

Mr. HICKENLOOPER. That is it.

Mr. HUMPHREY. Is that the type which the Senator feels has many limitations?

Mr. HICKENLOOPER. That is it.

Mr. HUMPHREY. In other words, the Senator feels that the $40 million may be wasted, according to his view?

Mr. HICKENLOOPER. On an outmoded reactor which I think the evidence shows has not been anywhere nearly so successful as the original hope had indicated it would be.

Mr. HUMPHREY. The reason I asked that question is that I had brought to my attention a publication known as Forum Memo, of the Atomic Industrial Forum, Inc., of New York. One article is entitled, "Britain's Trebled Program." I thought the Senator might be interested in it. Let me read a couple of paragraphs:

For more than a year the issue of accelerating the atomic power program has held the center of the atomic policy stage in the United States. An important factor in the acceleration issue, in the minds of many Congressmen and others concerned with the formulation of United States atomic policy, has clearly been the effect on United States prestige of conducting a smaller scale atomic power program than that of other nations—including the British, who announced in February 1955 that they were establishing a target of some 1.5–2 million kilowatts of nuclear power capacity to be in operation by the end of 1965.

I understand that the natural uranium type of reactor which the British have built is within that figure of 1½ to 2 million kilowatts.

I think this paragraph is important:

Last month the British officially announced that they had now decided to expand their goals to "a range of 5–6 million kilowatts of nuclear capacity in operation by the end of 1965." This is approximately triple the target established in 1955 in the initial so-called white paper plan.

In other words, the natural uranium type reactor, which the Senator from Iowa speaks of as being a failure, is in use by the British. The British have now determined that, on the basis of their experience, they should treble the program.

In the meantime, I understand that representatives of the Atomic Energy Commission, testifying on April 1, 1955, made the prediction before the American Power Conference that there would be about 2 million kilowatts of nuclear power capability in service in the United States by 1960, and about 5 million by the end of 1965. However, in July of the same year the speaker, who was in charge of the reactor development of our Atomic Energy Commission, said that we are now losing ground. He now predicts that by 1960, instead of 2 million kilowatts of nuclear power by 1960, there will be only one million kilowatts of nuclear power in operation 5 years from now, or by 1962.

So here we are, going downhill, with half of the program which was predicted as a possibility by 1962, and the British, with their so-called mistakes, and with their natural uranium program, are trebling their predictions since 1955. I

cannot understand the logic of the argument. If the British are moving ahead and we are moving down, who is making the mistake?

Mr. HICKENLOOPER. I think perhaps Dr. Zinn is shuddering because of the interposition of this colloquy in the middle of his statement. However, I shall return to that subject in a moment.

The Senator from Minnesota has talked about 2 million kilowatts, 1 million kilowatts, and 6 million kilowatts. It might be a good thing not to have 1 million kilowatts of nuclear power in operation in this country by 1960, because every kilowatt of nuclear power produced will cost an unconscionable sum of money, and a Government subsidy will be required.

We have fossil fuels. We do not necessarily need atomic energy power in this country to any great extent, because it cannot compete at this time, and probably will not be able to do so——

Mr. HUMPHREY. Mr. President, will the Senator yield at that point?

Mr. HICKENLOOPER. Let me finish.

Power produced from nuclear energy probably will not be able to compete for a great many years with conventionally produced power. Competent testimony has estimated that it will be 20 or 25 year before we shall reach the point where we shall be producing kilowatts that will compete with available fossil fuels. That is something we should understand.

Britain has no fuel, or says it has none. I should like to read something from the Manchester Guardian.

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

Mr. HICKENLOOPER. This is right on the point the Senator was discussing, as to what the British intend to do.

Referring to the Manchester Guardian, a well informed British newspaper, the Manchester Guardian, reported on July 17, in an article entitled "Nuclear Power Program May Be Rephased," referring to earlier British plans to install 6,000 megawatts of nuclear generating capacity by 1966, that there might be a reduction of the nuclear power program in Britain.

This is an interesting point. It is a question of fuel. It is not a question of advancement in the science.

The article refers to earlier British plans to install 6,000 megawatts of nuclear generating capacity by 1966.

Now, however, according to the Manchester Guardian, Britain's coal board believes that it will be able to provide about 9.5 million more tons of power station coal than was originally estimated.

Referring to the coal board's new estimate, and to the earlier plans to build nuclear power plants aggregating 6,000 megawatts, the Manchester Guardian says:

> If the coal board's offer is taken seriously and accepted, some of these plans will have to go by the board. * * *
>
> On the nuclear power program, it is inevitable that the Chancellor (of the Exchequer) will be glad of the timing of the coal board's offer. For, in effect, the board has offered to supply enough coal to enable the CEA (Central Electric Authority) to dispense with atomic power stations almost entirely. The Chancellor will now realize that he could reduce the country's capital commitments over the next 10 years by persuading the CEA to buy the small coal now being offered to it, and to "rephase" the nuclear power program.

I interpolate that it is a question of economics with the British. They thought they did not have the coal, but with the coal coming in, they may dispense with power development from atomic energy almost entirely, according the Manchester Guardian.

Continuing the quotation from the Manchester Guardian:

> The Chancellor will now realize that he could reduce the country's capital commitments over the next 10 years by persuading the CEA to buy the small coal now being offered to it, and to "rephase" the nuclear power program. Some evidence that this has already started is provided by the fact that the CEA has not yet said what sites it will need for the next atomic power stations to be built.

In conclusion, the article has this to say:

> It is also clear that the nuclear power program is not now regarded as urgently as it used to be.

With the British, it is not so much a question of attempting to obtain nuclear superiority as it is to obtain desperately needed power. The minute the availability of power seems to be evident, the Manchester Guardian feels that in the same degree that increasing amounts of coal are available, just in that degree will the nuclear power program be going down in Britain.

With respect to the natural uranium proposed by Dr. Zinn's group, as I stated a moment ago to the Senator from Rhode Island, they proposed to use heavy water as a moderator, and other techniques. I am for helping them, but I see no reason why the Government should spend an extra $40 million when private groups are willing to spend their own money; and we would get the full benefit of anything they learned in the way of advanced techniques in the natural uranium reactor.

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

Mr. HICKENLOOPER. I yield.

Mr. HUMPHREY. I find the article from the Manchester Guardian very interesting. It represents an editorial point of view. It also represents, and clearly states to us, the grave economic problems which Great Britain faces. The British seem always to be in difficulties during these recent days, because of their problems since the war, in terms of economic development. They have a shortage of capital. It is understandable that if they could find coal resources they would prefer to use those for a period of time, to alleviate their economic problem.

But it so happens that the United States of America is not in the same financial straits. It so happens that the President of the United States feels that the development of the peacetime use of the atom is so important that he went to the United Nations and enlisted the support of practically every nation in the world for a great international unit.

The President also believes that we ought even to share some of our atomic energy knowledge.

On that basis, why should the United States, merely because it has other types of fuel available, ignore or retreat from the possibility of getting out in front in terms of nuclear power development?

Mr. HICKENLOOPER. We are far ahead of any other country.

Mr. HUMPHREY. It seems to me that the United States of America is being held back by the kind of philosophy being expressed here today. The Senator says we do not need to do this because we have other kinds of fuel. That is exactly what the Atomic Energy Commission has been saying. The Commission has been acting on that philosophy. The Senator says that we are far ahead of everyone else. I have heard arguments today to the effect that in some areas of peacetime uses of atomic energy we are not out in front.

Mr. HICKENLOOPER. The Senator is utterly and completely misinformed and mistaken. We are out in front on reactor developments in many more types than any other country in the world.

Mr. HUMPHREY. In certain types, yes.

Mr. HICKENLOOPER. In the whole field, with the exception of the natural-uranium reactor, which we have not gone into because we have access to the information the British are developing in that field—we are far ahead of any other nation.

So far as saying that we do not need to go into the reactors because we do not need the fuel, that is not what I said at all. It is not a part of the connotation of what I said.

I said that so far as the British were concerned, their great urgency in developing atomic power arises from their lack of natural-fossil fuels. They were spurred by that lack. I said that we did not have such a stimulus to spur reactor development, but we are developing them with billions of dollars—far more than any other country in the world is spending. It is a matter of enlarging and exploring a great field in which atomic energy is the key.

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

Mr. HICKENLOOPER. I yield.

Mr. COOPER. The Senator made the point that Great Britain had developed its particular type of reactor because of its lack of conventional fuels—coal, waterpower, and so forth—with which to develop power. Is this type of reactor one which would be more appropriate and useful in countries which do not have the capacity to develop power either through great hydroelectric projects or by steam plants? Is this type of reactor more appropriate for their use than the type of reactors which the United States is developing? I speak as an amateur.

Mr. HICKENLOOPER. Strictly speaking, it is not correct to say that it is more appropriate. Countries and areas which have very high fuel costs will probably be the first countries and areas to begin the full-scale use of atomic fuels for the creation of electrical energy when it becomes competitive.

Manifestly, a country where the fuel costs are such that it costs 15 or 18 or 20 mills per kilowatt for electricity produced with conventional fuels—oil, coal, and so forth—will begin to use, if we get them developed, 20-mill-cost atomic-powered fuels or 18-mill-cost atomic-powered fuels. They will begin to use them quicker than our country would, where fuel costs are perhaps 3 or 4 mills. It becomes a matter of economics.

The Calder Hall reactor is a type into which, at least theoretically, natural uranium is loaded, and which, under proper scientific combinations and conditions, the fissionable part of U-235 and the natural uranium work, through the action of the neutrons and atoms, and so forth, to produce heat.

That type of reactor, if it can be successfully and efficiently developed, would be much better for use in a country which did not have access to what we call enriched uranium.

We have the facilities and a plant in the Senator's own areas where we can do it. Of course, a diffusion plant for the separation process is very costly. Most countries cannot afford it.

Therefore, if a country is dependent upon some other country as a source of enriched materials, to salt or load the natural uranium, in order to make its production more efficient, it is somewhat at the mercy of a foreign supplier.

The uranium itself is getting not too difficult to acquire. It is getting to be quite plentiful. Natural uranium is not difficult to get, but enriched uranium is difficult for most countries to acquire.

Therefore, if a proper type and an efficient type of natural uranium reactor could be developed, it would be very helpful in a country which otherwise would have to depend on foreign countries.

Mr. COOPER. The Senator from Iowa has spoken to the issue I wished to raise. The Senator knows that there are many countries in the world which are beginning their development. Of course if such a country is to develop industry, it may have power. Many of them do not have sources of hydroelectric power, and they do not have the money with which to build tremendous steam plants. It may also be that their resources may not be located in a place where they can be efficiently and effectively used.

As the Senator knows, their wealth is based upon facts we cannot determine, and there is a great hope among many peoples and the governments of many of those countries that atomic reactors may provide a means and a method for their industrial development.

I wish to say further that I am an amateur in this subject. I know very little about the technique so far as the problem we are discussing is concerned. However, the Senator has just said that reactors which use, I think he said natural uranium——

Mr. HICKENLOOPER. That is the British type reactor.

Mr. COOPER. That is a type of reactor which would have a wider use, perhaps, throughout the world, in the underdeveloped countries, because many of them have natural uranium, and many of them cannot secure what the Senator calls enriched uranium. My question is this: Does not the United States face a grave danger if another country—Great Britain or some other country—has developed his type of reactor, which can have wider use throughout the world, and do we not risk losing leadership in this field and leadership in our association and influence and position with many of the countries which are moving ahead along the line of industrial development?

Mr. HICKENLOOPER. The Senator's question is based upon 1 or 2 premises which I am not prepared to accept.

Mr. COOPER. My premises may be wrong, but I raise the question.

Mr. HICKENLOOPER. In the first place, if Great Britain or any other country developed a successful and efficient type of reactor using natural uranium, not requiring the expensive processes of securing enriched uranium, that would be very helpful and advantageous. I do not believe—and, as I said a moment ago, I have evidence to that effect—that the British type of natural uranium reactor is anywhere near so successful as they had hoped it would be. There is evidence of their turning away from natural uranium because of the increased efficiency which comes from using enriched uranium.

We are experimenting in the natural uranium reactor field. We are not sitting idly by. We are spending money every day in research in that field. A group headed by Dr. Zinn, formerly of the University of Chicago's Argonne National Laboratories, and one of the leading reactor experts in the world, is negotiating with AEC for a cooperative effort to build such a reactor, using different and, what they hope are, advanced methods over the British technology. They propose to build a natural uranium reactor.

My point is not that we should not build natural uranium reactors, but that we should let private enterprise, which is willing and able to do it, build them in cooperation with Government research. That is what the Atomic Energy Act of 1954 contemplates. My complaint is that we are attempting here to tell the Atomic Energy Commission to do something which it does not think it ought to do at this time.

Mr. COOPER. Does the Atomic Energy Commission itself favor the idea of experimentation and even of building a natural uranium-type reactor, which the Senator himself has said is the one which would be most applicable to the needs of many countries throughout the world?

Mr. HICKENLOOPER. Indeed; if it can be built successfully and can produce economically.

Mr. COOPER. What I say about the other countries does not relate only to what we would like to see them do from the standpoint of advancement, but is suggested also by a selfish interest, and that is that the United States has been considered as the industrial leader of the world—and we pride ourselves in being that—and if this new field in the future becomes a great opportunity for the expansion of industrial development, the United States may fall behind in its position of industrial leadership.

Mr. HICKENLOOPER. I do not believe there is the slightest chance that we will fall behind. I believe there is every evidence that we are continuing to forge far ahead in the field.

With respect to the natural uranium reactor, the Commission is negotiating at this moment. They are asking for money to aid the Zinn group in its construction of a natural uranium reactor. From our aid to them we get all the benefit of their experience. They put millions of dollars of their own money into the reactor. We put up a comparatively small amount and get the benefit of what they learn. They get the benefit of past research. We will have the experience, in that way, in the field of natural uranium reactors. We will have gained the same experience as if we would have put up $40 million of taxpayers' money.

That is why the Atomic Energy Commission says, "We do not want to build a natural uranium reactor with Government money at this time. We are going to help build one with private money. We will contribute a little know-how and some research and some cash. The private company will put up the bulk of the money. Why should we build a Chinese copy just to have another reactor when we can get our experience from the other one?"

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

Mr. HICKENLOOPER. I yield.

Mr. DWORSHAK. Does the Senator from Iowa know how much the AEC will invest in the natural uranium reactor which is proposed to be built by the private utility in Florida?

Mr. HICKENLOOPER. The Government contribution to the natural uranium reactor to be built by the Zinn group is about $8 million. That is the contribution by the Government. The private group proposes to put up roughly $40 million. Those are the approximate figures.

The argument is that for $8 million we will learn every last thing we can possibly learn out of a $40 million program somewhere else.

That is the reason that the Commission—and I think it is a sound reason—says, "We are not going into the natural uranium reactor field ourselves." It is like going into a store where a sale on men's suits is being held. I need a suit of clothes, and I get one for $10 off the regular price. In that way I have saved $10 on that one suit. I need that suit. If I buy 5 more suits that I do not need, I do not save $50 by buying those 5 suits. That is just about the situation we are confronted with in connection with the natural uranium reactor program.

Mr. DWORSHAK. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. DWORSHAK. Does the Senator know whether plans have been completed and contracts negotiated between the private interests and the AEC for this particular plant, or whether it is still in the promotional stage?

Mr. HICKENLOOPER. The contracts have not been signed, but they

are in process. In my judgment, they unquestionably will be signed. It is a question of a little more experimentation.

When we speak of foot dragging in the case of contracts such as the one at Elk River, which affects the State of the Senator from Minnesota, let me say that one of the reasons why there has been slowness in securing the contracts is that in the case of most of the reactors the Government is building, there has been trouble, and they do not dare sign a contract until they get the bugs out of the thing and until they can depend on it. The delays have mainly come as a result of waiting to get the bugs out, and waiting until they can sign the contracts.

Mr. DWORSHAK. Does the Senator from Iowa know whether it is planned to use Admiral Rickover and his staff—who have been largely responsible for the development at Shippingport—in the development in Florida?

Mr. HICKENLOOPER. I do not know about that. I suppose many of them will be available. But the group building it will get its own staff together. I am sorry I cannot answer further.

Mr. PASTORE. Mr. President, at this point, will the Senator from Iowa yield to me, so that, in answer to the question asked by the Senator from Kentucky, I may read into the RECORD a short statement by Admiral Rickover?

Mr. HICKENLOOPER. I yield.

Mr. PASTORE. At the hearing Admiral Rickover said, page 388:

> If I were looking around for a source of electrical energy in an underdeveloped country, I would strongly consider a natural uranium reactor, because, if I used one that either has heavy water for a coolant, or enriched uranium, or both, then I am tying myself—I am tying myself down either to getting the heavy water and the enriched uranium from some other country or to building a heavy water plant and a separations plant myself. Well, if I can build a separations plant, if I have enough electricity to operate such plants, then I really am not in dire straits for atomic power.

Mr. HICKENLOOPER. I tried to point out that some countries would become dependent upon other countries for enriched material or for other things they would need.

Mr. PASTORE. In such a case the electricity or power costs and the other costs would be higher, because those countries would not have access to enriched uranium.

Mr. HICKENLOOPER. Yes.

Mr. President, for the third time I shall try to finish reading the telegram from Dr. Zinn. About the middle of the telegram he says:

> I have no special competence to comment on Government administration procedures. In my view, specification details such as combination of fuel and coolant, moderator choice, size, and cost estimates should be left to AEC and responsible contractors.

Mr. President, the following is very significant:

> I believe that instructions from Congressional committee will be most effective if limited to policy matters and if technical specifications are left to agency which is to execute instruction. If committee does not approve manner in which policy is executed projects should be vetoed by denying funds.
>
> W. H. ZINN.

Since we have been quoting Dr. Zinn, I thought I should state his views on that point.

I call attention to the fact that, in connection with that statement by Dr. Zinn, namely, that "specification details such as combination of fuel and coolant, moderator choice, size, and cost estimates should be left to AEC and responsible contractors," let us consider what the bill provides? The bill provides, on page 5:

> Project 58-e-14, natural uranium, graphite moderated, gas cooled, power reactor prototype designed for the production of approximately 40,000 electrical kilowatts, $40 million.

If that is not a statement of the type and kind of specifications, I do not know what it is. Of course that is in direct conflict with what Dr. Zinn says the bill should do.

Furthermore, and with this I desire to close this part of my remarks, the other part of my amendment calls for the elimination of project 58-e-15. Again the committee, without the request of the Commission, has designated the details; it is to be:

> Plutonium recycle experimental reactor designed for the production of 15,000 electrical kilowatt equivalent, $15 million.

Eventually, as I said earlier in my remarks, probably the Commission will wish to build one of these. But the Commission is not ready to build it now. The knowledge of the art is not sufficient. The Commission did not request it. It happens to be something the Commission can live with very well. But the Commission already has funds with which it is experimenting in this field; and when the Commission believes it can be done with profit to the art and to the whole atomic program, the Commission will request authority to do it.

So this provision of the bill is another gratuity, placed in the bill by the committee, but which was not requested by the Commission.

Mr. JACKSON. Mr. President, at this point will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. JACKSON. In connection with the recycle reactor, is it not fair to state that the controversy is over the question of whether it shall be constructed under this year's budget or next year's? There is no doubt about the importance of this project.

Mr. HICKENLOOPER. The Senator from Washington is correct. It is an important project. A moment ago I tried to say it is going to be done. But I think this is a policy decision of the Commission as to when the appropriate time is, and I do not think this provision has any place in the pending bill.

Mr. JACKSON. In all fairness, what is the purpose of the Joint Committee? Is it to be a rubberstamp organization? We had the vice president of the General Electric Co. before the committee—Mr. Wilfrid Johnson, from the Hanford facility. He said they are ready to go. That is in the record. I will take the word of the vice president of the General Electric Co. The question is how long we are to wait. This is an important program.

Mr. HICKENLOOPER. Of course, the Senator from Washington may take the word of General Electric. They are honorable people. But I assume that the Senator from Washington would not be controlled by the position of General Motors, over and above the position of the Attorney General, in regard to an antitrust matter or some other matter.

Mr. JACKSON. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. JACKSON. The reason why I referred to the position taken by the vice president of the General Electric Co. is that he happens to be the one who is in charge of the program. The General Electric Co. is acting as the contractor, as the Senator from Iowa knows, for the Atomic Energy Commission. And the General Electric Co. now is carrying on the research work. And the General Electric Co. says it is ready to go ahead.

Certainly the Joint Committee on Atomic Energy has enough discretion left to hear the testimony from the Commission and then hear the testimony from the persons who are doing the work for the Commission and then come to a conclusion.

Mr. HICKENLOOPER. On that theory, if the Joint Committee is going to begin to write details, we had better abolish the Atomic Energy Commission and substitute the Joint Committee as the policymaking and the detail-ordering body, and just replace the Commission with the Joint Committee, because the Commission is the administrative body created by law to canvass the whole situation. It has its advisory groups. And then the Commission makes up its mind regarding how it will carry out the policy laid down by the Congress.

Mr. JACKSON. Mr. President, at this point will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. JACKSON. The Senator from Iowa has served for a long time on the Joint Committee, and he knows that sometimes the Commission can be behind the times. Some of us recall that it was the effort of the Joint Committee—without initiative from the executive branch—that gave the great acceleration to the atomic energy program back in 1949 and 1950. Certainly we do not have simply to pass on recommendations from the Commission, and adopt or reject what it proposes, and not come up with anything of our own. If that were the case, the hydrogen bomb race would have been defaulted to the Russians, because the impetus for our development of the bomb came from the committee.

Mr. HICKENLOOPER. The Senator from Washington is talking about an entirely different thing.

Mr. JACKSON. No, I am talking about the question of policy. The principle is the same.

Mr. HICKENLOOPER. But this is detail direction, and there is a difference between policy and detail direction.

Mr. JACKSON. Let me say that there is no question about the policy in connection with the matter of the recycle reactor. I can quote directly from Admiral Strauss. This is what he said, as is shown on page 676 of the hearings, in regard to the recycle project:

Project 16, the plutonium recycle pilot reactor is an extremely important project, but we had not intended to include that, and did not include it, in our request for funds for 1958 because we thought that 1959 would be as soon as we would have sufficient progress in hand to begin to develop it.

Mr. HICKENLOOPER. Exactly.

Mr. JACKSON. All right. The answer we subsequently got to that testimony came from the vice president of General Electric, Mr. Wilfred Johnson. He said, "We are ready to go, and it is urgent that we do."

Mr. HICKENLOOPER. So the Senator from Washington takes the judgment of an individual against that of the Commission which is set up to pass on those matters.

Mr. JACKSON. No; I am taking the word of the man in charge of the project for the Commission. Is that not all right? What is wrong with that?

Mr. HICKENLOOPER. I am not so sure, but I suppose every brakeman on a railroad knows better how to run the railroad than does the president of the railroad company.

Mr. JACKSON. Usually we are accused of taking the word of a bureaucrat in one of the departments downtown, and there are complaints that we are not listening to what business has to say. In this case, the vice president of the General Electric Co. says the project is ready to go and is urgent. He is the contract manager to whom the AEC has entrusted this project. I think that is sufficient.

Mr. HICKENLOOPER. The Senator is talking about two different things. One is policy; the other is detail.

Mr. JACKSON. There is no dispute on the policy, is there?

Mr. HICKENLOOPER. There is no dispute on the policy that it is a worthy project to go into, but why should we provide $15 million this year when the Commission is not ready to go into it, and when the money was never requested? The Commission never asked for the money. It may be ready next year or the year after.

Mr. JACKSON. I do not care to labor the point, but the individual in charge of the project for the Commission said they were ready to go. Do we have any judgment left at all?

Mr. HICKENLOOPER. It is a very nice contract for them.

Mr. JACKSON. Is the Senator saying General Electric is trying to promote this project?

Mr. HICKENLOOPER. I did not say that. I merely said a $15 million contract is a nice contract; but I am saying the body charged with the responsibility of carrying out the reactor program, the Atomic Energy Commission, says it does not want the money. It never asked for it. We are trying to shove something down its throat for which it never asked.

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

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. I have been trying to learn from the committee documents exactly what the position of the Atomic Energy Commission is. I should like some confirmation of the conclusions to which I have come. I should like to have the Senator look at the hearings before the Subcommittee on Legislation of the Joint Committee on Atomic Energy, specifically to the testimony of Mr. Strauss on page 659. I now quote from Representative HOLIFIELD at the bottom half of the page:

It seems to me that the argument that you have made and the statements that you have made in regard to retaining our knowledge and techniques in the gaseous diffusion field is a very cogent argument for us filling the gap in our technology which apparently the British are planning to fill in theirs by showing an interest in enriched fuel that we should also show an interest in the natural uranium process.

Does the Senator have that part of the hearings?

Mr. HICKENLOOPER. Yes; I have.

Mr. LAUSCHE. By that statement I assume that Representative HOLIFIELD implied, indeed, practically stated, that we are far in advance of England in the development of enriched uranium, and that we ought to show some interest in the development of the natural uranium process to cope with the competition England is giving us. Is that correct?

Mr. HICKENLOOPER. In the first place——

Mr. LAUSCHE. I think that is correct. It is obvious.

Mr. HICKENLOOPER. I do not agree with the Senator. I do not think it is correct. I was trying to say what I think it means. I do not agree with the Senator's interpretation.

Mr. LAUSCHE. The Senator from Iowa does not agree with my interpretation?

Mr. HICKENLOOPER. I do not agree that there is any authority in that statement that the British are giving us competition in the natural uranium field. I think they have experimented in it, but I think they have failed to develop it to the point of the efficiency they had hoped it would reach.

Mr. LAUSCHE. May I read what Mr. Strauss said and see whether we come together or go apart:

Mr. STRAUSS. That is right, the Florida power group.

I presume by that he meant our Government is dealing with the Florida power group for the purpose of developing a natural uranium reactor plant.

Mr. HICKENLOOPER. We are indeed interested in a natural uranium plant. We have been conducting experiments. The Florida power group is a group of private utilities who have, I believe, employed Dr. Zinn. He heads the reactor group. The group proposes to develop with its own money the best type of natural uranium reactor they know how to build, and we are going to help them.

Mr. LAUSCHE. Let me continue. On page 660, toward the bottom of the page, Mr. Strauss again testified:

What I have tried to say about the natural uranium gas-cooled reactor, which is a power reactor solely with plutonium as a minor byproduct, is this: The Florida power group is studying that reactor to make us a proposal under the third round, and we should not spend Federal funds unless we find that we cannot get that reactor built by private funds.

Mr. HICKENLOOPER. Exactly, and the Florida group is proposing to build the reactor with private funds. It is proposing to put into it about $40 million of private funds. The Government's contribution will be about $8 million. My objection to project E-14 is that, in addition to cooperating with them, we propose to build another one with $40 million of the public's funds.

Mr. LAUSCHE. I invite the Senator's attention to page 663, toward the bottom half of the page:

Chairman DURHAM. Might I ask a question? This year when you asked the Budget Bureau for $150 million, what type of reactors did you have in mind?

Mr. STRAUSS. You mean last December?

Chairman DURHAM. Yes.

Mr. STRAUSS. We had two types in mind. One was an aqueous homogenous reactor, and the other was a natural uranium heavy-water reactor. There, you recall, Mr. DURHAM, we had an understanding with the Bureau of the Budget and with the President that if we did not succeed in getting private industry to build them, that they would support the Commission in a request to the Congress for appropriations to do it ourselves.

Mr. HICKENLOOPER. Exactly.

Mr. LAUSCHE. Is that the position taken by the Atomic Energy Commission on this subject?

Mr. HICKENLOOPER. It is. Let me say to the Senator that is exactly the situation in which we find ourselves. Had the negotiations not begun with the private power group, which would put its own money into the building of a natural uranium reactor, then the Commission was prepared to spend the taxpayers' money to build one on its own account; but the argument we make is that we are getting, or we shall get, because I am sure the contract will be consummated, since it has gone a long way, a natural uranium reactor built with private funds. That is why I am, and why the Commission is, against spending $40 million of the taxpayers' money to build another one somewhere else.

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

Mr. HICKENLOOPER. I yield.

Mr. GORE. I hope the assumption of the Senator will prove accurate. I cannot, however, be so optimistic about the contract as he is; but even though the contract is consummated—and I hope it will be—is it not true that one reactor would be a heavy water moderated reactor and the other a graphite moderated reactor, there being a distinct difference between the two?

Mr. HICKENLOOPER. Yes, that could be true. I understand the Zinn group is discussing a heavy water moderated reactor. The direction contained in this

paragraph meets the objection of even Dr. Zinn himself. When he was asked about it, he said the committee should not direct the type and kind, that that should be left to the Commission; that the committee and Congress should establish only policy.

Mr. President, I have occupied the floor much longer than I had intended when I rose to speak. Unless there are questions, I yield the floor at this time.

Mr. JACKSON. Mr. President, in the interest of saving time, in view of the substantial discussion that has already occurred in connection with these two items, I ask unanimous consent to have printed in the RECORD at this point a statement I had prepared with reference to the plutonium recycle reactor.

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

STATEMENT BY SENATOR JACKSON

To understand the current need for the plutonium recycle reactor project, it is necessary to first understand the purpose of the project. The purpose of the project would be to develop a means by which plutonium can be used as a fuel in addition to its use in weapons. Every uranium type reactor, both natural and enriched concepts in addition to producing power also produces a byproduct, plutonium. As of now, the only use for this plutonium is in weapons. In order for a genuine peacetime atomic energy program ultimately to flourish there must be some way devised to utilize the byproduct plutonium as a fuel for atomic powerplants.

The experimental plutonium recycle reactor contemplated in the pending bill is for the purpose of developing the means by which the plutonium will be recycled back into the reactor and used for making more power. If this experiment proves successful, and on the basis of expert testimony we believe it will be, then the plutonium produced in a specific reactor can be used by that reactor for generating power rather than being a waste material for that reactor. What this means is then that plutonium can be utilized in making power and thus we save on the amount of additional fuel needed by reactors.

Now this if of further great importance to us. If and when the day arrives when this country no longer must maintain large amounts of plutonium for weapons purposes, that plutonium can be transferred over and used for peaceful purposes.

In the last 2 years the Atomic Energy Commission has sponsored a modest program at Argonne, Los Alamos, and Hanford on various approaches to the problem of peacetime uses of plutonium. During the hearings held by the Joint Committee in consideration of this authorization bill, Mr. Wilfrid E. Johnson, general manager of the Hanford atomic products operation, General Electric Co., testified to the work being done and the advances his organization has made in this field.

His organization, on request of the Atomic Energy Commission, on September 1, 1956, undertook a research and development program at Hanford relative to the plutonium recycle concept. He stated that good progress has ben made during the past year in these various areas of research and development. He added that a number of plutonium fuel element designs have been conceived and are under experimental investigation. He also stated that the reactor design studies of his group have been accelerated "because the use of an experimental reactor is vital to timely progress in the program."

During fiscal year 1957 about $1,400,000 will have been spent on research and development and reactor-design phases of the program. On the basis of the technical advances his group has made, his group contemplates an acceleration of the research and development effort during the year.

By letter dated June 27, 1957, Mr. Johnson advised Congressman CHET HOLIFIELD, chairman of the Subcommittee on Legislation, as follows:

"At the request of Senator H. M. JACKSON, I would like to supplement the statement of our views concerning the plutonium recycle program which I made on June 24, before the Legislation Subcommittee of the Joint Committee on Atomic Energy.

"In my testimony, I failed to call the attention of the subcommittee to the desirability of an early authorization, with appropriate funding, for the construction of the experimental reactor which is required for the program. The reactor will be used, and is essential, for the accomplishment of the tests upon which developments under the program will depend. Its early availability is therefore desirable to permit orderly progress of the development work."

The Chairman of the Atomic Energy Commission, Mr. Lewis Strauss, in testifying before the Subcommittee on Legislation of the Joint Committee on Atomic Energy July 9, 1957, stated, "The plutonium recycling is absolutely essential because plutonium is going to be produced in every reactor." The Chairman of the AEC, nevertheless, prefers to wait until next year before requesting this project.

The majority of the Joint Committee is sincerely concerned with the slippages that are occurring in the atomic enegry program of the United States. While the British Government is tripling its original forecast and plans for atomic development, the Atomic Energy Commission, which in 1955 was forecasting 2 million electrical kilowats of nuclear energy by 1960, is now talking of only 1 million by 1962. Construction of plants in this country now under way will not be completed as early as originally hoped.

Part of this slippage, we believe, may be caused by not moving ahead fast enough when the technical means are available to do so. In the case of the plutonium recycle experiment, from a technical point of view it appears we are ready to move forward on an experimental model. If we wait until next year to request authorization for this project, we will lose valuable time. If we approve authorization now, and if, for one of more technical reasons, we are not ready until the following year to begin construction of the experimental reactor, there is no requirement that the Commission cannot wait until then. It is not mandatory that the appropriation being authorized be used during fiscal year 1958. It can be carried over until fiscal year 1959—should there be technical reasons for waiting.

The only difference that I can see between the committee and the Atomic Energy Commission on this point is whether we authorize the money in fiscal year 1958 or wait until fiscal year 1959.

The knowledge gained from this project will be available to all private industry. From the knowledge thus obtained, nuclear powerplants being built by private industry will be able to operate without dependence upon uranium isotope separation facilities. Now this is of extreme importance to our Government and to private industry which are interested in selling reactors abroad.

As you know, there is strong evidence that many foreign nations and foreign groups planning to build nuclear reactors are favoring the British natural-uranium concept. They voice fear that if they buy the American reactors, which are an enriched-uranium concept, they will be continuously dependent upon the United States for their sources of this material. The success of a plutonium-recycle concept, however, will relieve this problem in that these foreign reactors purchased from the United States will be able to utilize the plutonium they produce, and hence they will not have to continuously come back and ask for additional enriched uranium.

Another important point along this line is that in our agreements for cooperation whereby this country makes available enriched uranium to foreign countries for peaceful uses we stipulate that the plutonium produced in these foreign countries from this material must not be utilized in making weapons. We require that foreign governments return the plutonium to the United States. Notwithstanding our current urgent need for additional plutonium for weapons, we agree not to use the plutonium, so returned to us from these foreign countries, for weapons. We therefore are in a position where we will be receiving large amounts of plutonium from foreign countries which we legally cannot use for weapons and for which there is no other use at present.

The success of the plutonium-recycle project will increase severalfold the amount of power recovered from the given amount of raw uranium. As the peaceful applications of atomic energy develop in the future, the success of this project will provide a useful and peaceful way in which to make use of the plutonium which will be generated by nuclear-power industry.

Mr. THYE. Mr. President, I had intended to place in the RECORD some telegrams which I have received. There are only four of them. They are very brief. I had intended to place them in the RECORD earlier this afternoon when I was discussing the question, because they indicate the concern business people have relative to the bill now before the Senate.

For that reason, I ask unanimous consent that there be printed in the RECORD a telegram I have received from Mr. Dale Mark, of Fairmont, Minn.; another telegram from W. H. Norman, cashier of the Fairmont National Bank, Fairmont, Minn.; a telegram from Albert E. Fillmore, of Fairmont, Minn.; and another from J. A. Adams, of Red Wing, Minn. Red Wing and Fairmont are some distance apart in Minnesota, geographically speaking. For that reason I think the telegrams indicate that there is widespread interest in the State relative to the proposed legislation.

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

FAIRMONT, MINN., *August 15, 1957.*

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

Considering Atomic Energy Commission bill: Please vote against Government entering atomic-power business, as builder and operator.

DALE MARK.

FAIRMONT, MINN., *August 15, 1957.*

Hon. EDWARD THYE,
United States Senator,
Senate Office Building,
Washington, D. C.:

Opposed to Government entering atomic-power business as builder and operator. Please cast your vote accordingly.

W. H. NORMAN,
Cashier, Fairmont National Bank.

FAIRMONT, MINN., *August 15, 1957.*
Hon. EDWARD J. THYE,
United States Senator,
Senate Office Building,
Washington, D. C.:

Believe Government should leave business to private enterprise and am definitely opposed to Government entering atomic-power business as builder and operator.

ALBERT E. FILLMORE.

RED WING, MINN., *August 15, 1957.*
Hon. EDWARD THYE,
United States Senate,
Washington, D. C.:

Keep the Government out of atomic-power business. Support House bill.

J. M. ADAMS.

TRIBUTE TO LATE JAMES IZLAR SIMS

Mr. THURMOND. Mr. President, I rise to pay tribute to the character and accomplishments of Mr. James Izlar Sims, a beloved and distinguished citizen of South Carolina who died on August 13 at his home in Orangeburg, S. C.

Mr. Sims was president of the Sims Publishing Co., which published the Times and Democrat in Orangeburg, S. C. He was also the head of a number of other organizations and businesses and was a prominent figure in community and business affairs in South Carolina for more than half a century. In addition to heading the newspaper, he also was president of a radio station, a bank, an apartment project, and a theater.

Mr. Sims began his career as a newspaperman and businessman in 1905 at the age of 14 when his father became seriously ill. At that youthful age he assumed his father's responsibilities at the newspaper, and steadily through the years advanced as a leader in business and civic affairs in Orangeburg and in the State.

Mr. Sims was a Christian gentleman with a quiet unassuming manner and a good sense of humor. He was a loyal American, a loyal southerner, and a loyal South Carolinian.

I shall not attempt to recount his many accomplishments, but I am proud to have been his friend. His able father and my father, J. William Thurmond, also were friends and I served in the South Carolina State Senate with his brother, Dr. Henry R. Sims, who is the distinguished president of Winthrop College, the South Carolina State College for Women. His passing is a great loss to the State and Nation and a personal loss to me. My heartfelt sympathy goes out to Mrs. Sims and to the rest of the family.

AIR FORCE AMMUNITION FACILITIES AT VANPORT, OREG.

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter written by me to Maj. Gen. Joe W. Kelly, Department of the Air Force, dated August 15, 1957, as well as a press release which describes my position regarding ammunition storage facilities at Vanport near Portland, Oreg.

I am including this material in the RECORD so that my attitude will be made clear with respect to this crucial issue. When the defense of our country is involved, I believe that military officials should receive as wide a degree of latitude as is consistent with the national welfare and our democratic traditions.

I also believe that no community should ask for special considerations apart from those received from any other American community, when national defense matters are involved.

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

UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
August 15, 1957.

Maj. Gen. JOE W. KELLY,
Director, Legislative Liaison,
Department of the Air Force,
Washington, D. C.

DEAR GENERAL KELLY: I have had a conference today, August 15, with various military and civilian officials of the Department of the Air Force. They have disclosed to me a list of Air Force facilities located in or near approximately 45 major communities in the United States. This information, which is of a classified nature, has demonstrated to me that the Department of the Air Force operates near these cities ammunition storage facilities of a comparable nature to that operated at the Vanport tract near Portland International Airbase.

It is my opinion that any ammunition storage facilities in the vicinity of Portland should be no closer to the metropolitan area than at air bases elsewhere in the United States, but that we are willing to be on the same footing and distance in this respect with other comparable cities in our country.

Accordingly, I am withdrawing my objection to the contemplated use of the Vanport tract as planned by the Air Force. I neither support nor oppose your proposal, but I am willing to abide by what is best and most feasible for the defense of our country and according to such arrangements as the Air Force can work out with the governmental officials of the city of Portland and the State of Oregon.

It is my opinion that Portland and Oregon should be treated no differently than any other city and State in the Nation. Ammunition storage facilities should be no closer to our population centers, but the Air Force should not be required to have them more distant. Our State should share as equally as possible in the location of defense installations, and we should be willing to put up with inconveniences in providing the area for such installations.

I appreciate the courtesy and cooperation of your staff in making available to me the data concerning Air Force facilities and their proximity to other metropolitan centers of the United States.

Of course, if it were found feasible still to use the French Prairie site near Woodburn for military air-base purposes, I think this might be the best ultimate solution.

Very sincerely yours,
RICHARD L. NEUBERGER,
United States Senator.

STATEMENT BY SENATOR RICHARD L. NEUBERGER, OF OREGON, REGARDING AMMUNITION STORAGE FACILITIES AT VANPORT

After a conference with officials of the Air Force, I have decided to withdraw my objections to the proposed ammunition storage facility at Vanport to serve Portland International air base. My original stand may have been premised on insufficient information.

I have learned that no fewer than 35 similar storage projects are located from 1 to 8 miles from the center of metropolitan centers in the United States, some of them larger and more crowded than the Portland area.

Air Force officials, who have served with the Department as long as 15 years, told me the protest against the proposed facilities in the Vanport area is the loudest they ever have experienced. It could be that this attitude, prevailing over a long period of years, is one reason why Oregon has trailed behind other Pacific Coast States in the number of military installations, posts, bases and other defense undertakings.

Within recent weeks I have received several letters from chambers of commerce inquiring as to why our State has lagged in this respect. I fear that there is almost an automatic reflex action in Oregon against any of the inconveniences, discomforts and perils attendant on military projects and defense industries. I believe a more reasonable approach would be to insist simply that our State and communities be treated equally with those elsewhere in the Nation.

Accordingly, I have advised Maj. Gen. Joe W. Kelly, Air Force legislative liaison officer, that I believe "any ammunition storage facilities in the vicinity of Portland should be no closer to the metropolitan area than at air bases elsewhere in the United States, but that we are willing to be on the same footing and distance in this respect with other comparable cities of our country. Of course, if it were found feasible still to use the French Prairie site near Woodburn for military air-base purposes, I think this might be the best ultimate solution."

I wish to emphasize that, in the stand I have taken, I am speaking for myself alone and not for my distinguished colleagues in the Oregon delegation.

BANNING OF LIQUOR ON COMMERCIAL, MILITARY, AND PRIVATE AIRPLANES

Mr. NEUBERGER. Mr. President, on August 13 I testified before the Aviation Subcommittee of the Senate Committee on Interstate and Foreign Commerce in behalf of my bill, S. 593, to prevent the consumption of alcoholic beverages aboard aircraft used in air commerce and military aircraft. I believe that such legislation is vitally needed to remove an existing hazard to the safety of air travel in the United States.

The distinguished Senator from South Carolina [Mr. THURMOND] who has introduced a similar bill, S. 4, preceded me at Tuesday's hearing and presented an extremely able discussion of the problem caused by the use of liquor aboard airplanes. I had the privilege of hearing most of his testimony and his answers to the subcommittee's questions, and wish to say that I believe he made a very convincing case for enactment of Federal legislation to prohibit alcohol on the airlanes.

Mr. President, I have no undue pride of authorship in my bill, S. 593. I realize that the Senator from South Carolina is a member of the Senate Committee on Interstate and Foreign Commerce and that, as a normal courtesy, the committee will be inclined to report out his bill. I take this opportunity to publicly assure the Senator, and those who back this legislation, that I will be happy to support any bill presented to the Senate which effectively deals with this problem.

Mr. President, I ask unanimous consent that excerpts from my testimony

submitted at Tuesday's hearings be printed in the RECORD at this point.

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

STATEMENT OF SENATOR RICHARD L. NEUBERGER, OF OREGON, BEFORE SUBCOMMITTEE ON AVIATION OF SENATE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, AUGUST 13, 1957, ON S. 593

Mr. Chairman, I am happy to appear today before the Subcommittee on Aviation of the Senate Committee on Interstate and Foreign Commerce to testify in behalf of my bill S. 593 to prevent the consumption of alcoholic beverages aboard aircraft used in air commerce and military aircraft. I believe that enactment of this bill, or similar legislation, would remove an existing hazard to the safety of air travel in the United States, and wish to acknowledge my appreciation of the subcommittee's action in scheduling these hearings.

The primary purpose of my bill is simple. It is to assure the safety of aerial traffic against the risk that any occupant of an airplane, whether crew or passenger, may endanger the lives and property of others by the effects of intoxication.

My proposal is not new. Similar legislation was passed by the House of Representatives last year following hearings at which spokesmen for the airline stewards and stewardesses and airline pilots—persons whose very lives are constantly at stake in air safety—appeared in support of this legislation. Unfortunately, the bill approved by the House was allowed to die in the Senate, as were Senate bills, S. 2845, introduced by Senator THURMOND; S. 2879, introduced by Senator LANGER; and my bill, S. 3039.

On January 14, 1957, I again submitted my bill forbidding use of alcoholic drinks aboard aircraft. The problem at which my original proposal was aimed still remains, and I presented S. 593 in the hope that the 85th Congress will take action to eliminate it. Mr. Chairman, I request that the text of my bill be printed at this point in my remarks. (See exhibit No. 1.)

I wish to point out that S. 593 is considerably more comprehensive than a number of other bills introduced to deal with this problem.

My bill would ban drinking on private aircraft as well as commercial or military planes. I think that this is only logical. A commercial aircraft, on which everybody, including the crew, is sober, can be dashed to earth in flames if a private plane with a drunken crew or cargo of passengers bumps into it on the airlanes. We would regard it as ludicrous if we banned alcohol on trucks and busses using our highways but permitted intoxicating liquors to be drunk in private cars. It seems to me only fair to the passengers on commercial and military planes that the ban on liquor in the air should be extended to all airplanes which use the airlanes above the United States. These travelers could be terribly endangered through the uncontrolled or reckless flight of a private plane whose crew or riders were indiscriminately consuming alcoholic beverages.

Mr. Chairman, I would like to quote briefly from House Report No. 2399 of the 84th Congress, the report submitted by the House Committee on Interstate and Foreign Commerce on H. R. 8000. The report outlines three major problems resulting from the serving of alcoholic beverages aboard aircraft.

"1. The unregulated consumption of liquor by airline passengers is a compromise with safety. There is always the danger that a passenger who has overindulged can interfere with the crew.

"2. The serving of liquor to airline passengers places an unnecessary burden on flight crews. The operation of large modern transport aircraft requires the constant and diligent attention of flight crews. Crew members have more important tasks than policing unruly passengers. The pilot in command must assume the responsibility for the orderly conduct of passengers. Instances were cited where the pilot was forced to subdue unruly passengers. Had serious injury to the pilot or any crew member resulted, the flight would have been deprived of that person's service, thus creating a potential emergency situation.

"3. Drinking on passenger aircraft creates a social problem, in that even though no safety hazard develops, the passenger who overindulges may offend or annoy other passengers. Drinking cannot be confined to club cars, as on trains."

Mr. Chairman, I understand that spokesmen for both the pilots' and stewardesses' organizations are scheduled to testify before this subcommittee. I know that they will describe for your members the enormous risks to public safety inherent in the practice of serving alcoholic beverages aboard aircraft—a knowledge of which they have gained from personal experience or from the statements of other members of their professions who have had an opportunity to view firsthand incidents which demonstrate the dangers involved. I shall not anticipate this testimony by relating the many occurances on airplanes brought to my attention which emphasize the vital need for prevention of consumption of alcohol aboard aircraft.

However, I would like to bring to the subcommittee's attention an article by Mr. Harry C. Kenney which appeared in the February 1956, issue of the Christian Herald under the title "Shall We Tolerate Those Flying Saloons?" Mr. Kenney, who has traveled over 100,000 miles by air, coordinated and studied a mass of evidence supplied by both passengers and crew members, indicating the threat to air safety caused by the serving of liquor aboard planes. I would like to read the lead paragraph of Mr. Kenney's article which embody his conclusions on this subject:

"Sky-high drunks not only make airplane trips less enjoyable, but potentially present a serious threat to the chances of your landing safely at your destination. This is no mere conflict of morality between drinker and nondrinker. The peril is impartial. Airborne alcohol endangers not only the lives of nondrinkers, but the lives of the drinkers themselves."

Several months ago I received a letter from a resident of Portland, Oreg., urging that I support legislation to outlaw the serving of alcohol on commercial airlines. I would like to read a portion of that letter.

"My husband recently had an experience when he flew from Portland to Los Angeles. The only available seat was in the lounge (the stewardess had to use two of the seats in the main part of the plane to prepare cocktails and dinners). She served the champagne cocktails to those who wished them—my husband did not take one—and then set the bottle on a table in front of my husband and another man. This individual was sitting directly next to my husband, was not interested in the dinner that was served afterward, and continued drinking from the bottle left on the table until its contents were emptied, having nearly a dozen drinks altogether. My husband had to hold and steady the bottle so the champagne would not spill on his own clothes, and then had to endure the unpleasantness of an intoxicated sleeper the remainder of the trip."

Mr. Chairman, reports by users of our airlines of such incidents are not infrequent. The House committee last year felt compelled to point out that Congress has an obligation to protect passengers in interstate commerce from annoyances and inconveniences such as cited by witnesses. However, the effects of this situation could be far graver than mere personal irritation.

On October 16, 1956, a Pan American Airways stratocruiser was forced to ditch in the Pacific Ocean when it developed engine trouble on a flight between Hawaii and San Francisco. Thirty-one people safely left the sinking aircraft after the heroic pilot, Richard Ogg, landed his ship in midocean, 1,150 miles from land. Not a single life was lost. Later Pilot Ogg praised the calmness and courage of his passengers in following his instructions. Without such clearheaded thinking on the part of these men, women, and children, many might have lost their lives.

What would the presence of the intoxicated passenger described in the letter which I have just cited have meant to the safety of those riding with Captain Ogg? Would this man have been able to care for himself? Or would others have had to assist him in the few brief minutes after the crash landing before the plane slipped beneath the sea, thus exposing themselves to greater danger and possible death. Could he have assisted in the preparations for the ditching? Or would he have been a hindrance? Might he have become panicky and directly interfered with the work of the crew?

This is mere conjecture, I realize. It is difficult to determine what any person—drunk or sober—will do in moments of extreme stress. I recall this incident because it is an internationally memorable instance in which a near air tragedy was averted due to the clear heads of passenger and crew. Yet I believe that the raising of these questions is valid. If one life is lost in air travel in the United States due to the use of alcohol aboard aircraft, any justification for this service is surely canceled.

The engineer of a train is isolated from his passengers and, intoxicated or sober, they cannot physically influence his actions. The driver of a bus can halt his vehicle to eject a drunken fare. But the pilot of an airplane has no such protection. Regulations on some airlines specify that the door to the cockpit be left open during landings or takeoffs so that it will not jam in the case of a crash landing. The pilot cannot pull over to the side of the road if he is suddenly accosted by an overly aggressive passenger. During a landing or a takeoff he is committed to a course of action. Deviation can mean disaster.

Monday, I talked with Miss Iris Peterson, Washington, D. C., representative of the Air Line Stewards and Stewardesses Association, International, and Mr. Larry Cates, who fills a similar position for the Air Line Pilots Association. Their observations confirmed my already strong belief that Federal legislation is the only effective solution to this problem.

Mr. Chairman, self-regulation by the airline industry has proved inadequate to handle the problem. Although many domestic airlines do not serve alcoholic beverages, competition may force them to do so. The number of passengers who bring their own liquor aboard aircraft and the number of those who have had too much to drink before the plane is increasing. The House committee reported last year that "* * * before the airlines began serving liquor, passengers under the influence of alcohol were not permitted to board a plane but that now, as might be expected, enforcement has been relaxed on those flights where liquor is served. A pilot in command would naturally find it difficult to ask a passenger who has been drinking not to board a plane on which drinks are to be served.

"Testimony was that since the airline started serving drinks, the number of passengers bringing their own liquor aboard has increased sharply. Here, again, the problem of control has been complicated by the serving of liquor by the airlines."

Prevention of consumption of liquor in aircraft would not only result in removal of a hazard to safety, but would provide an even more direct economic benefit for the Nation's airlines. In his Christian Herald article, Mr. Kenney reported:

"Numerous executives of airlines have told this reporter, off record, of course, that they would be very happy if liquor were not served on airplanes. Most of them lose money on the service; it is a messy business; it takes the time of flight personnel; it takes up payload space; it has caused trouble; and now it is creating a national issue."

The sanction of drinking, per se, is not an issue here. It is fundamentally a question of public safety. Nor does the danger involve only crew and passengers. The lives and property of those on the ground are also at stake. A crippled plane, plunging uncontrolled to earth, is no respector of persons or places.

Congress has a definite responsibility to protect our citizens from this menace to public safety. I hope that this subcommittee will see fit to favorably report legislation providing for the prevention of service or consumption of alcoholic beverages on military, commercial, and private airplanes in order that the 85th Congress may fulfill this responsibility.

Mr. Chairman, in conclusion I wish to thank the subcommittee for allowing me time to present my views on this subject, and I ask that a resolution of the Oregon Council of Churches in support of S. 593 be printed in the record. (See exhibit No. 2.)

EXHIBIT No. 1

S. 593

A bill to prevent the consumption of alcoholic beverages aboard aircraft used in air commerce and military aircraft

Be it enacted, etc., That section 601 (a) of the Civil Aeronautics Act of 1938 is amended by striking out the word "and" following the semicolon at the end of clause (6), by striking out the period at the end of clause (7) and inserting in lieu thereof a semicolon and the word "and", and by inserting after clause (7) the following new clause:

"(8) such reasonable rules and regulations as may be necessary to prevent the consumption at any time of alcoholic beverages aboard any aircraft used in air commerce."

SEC. 2. The Secretary of Defense shall establish such regulations as may be necessary to prevent the consumption at any time of alcoholic beverages aboard military aircraft.

EXHIBIT No. 2

RESOLUTION PASSED BY OREGON COUNCIL OF CHURCHES

The Oregon Council of Churches, in its annual meeting at Salem, Oreg., joins with other church groups, the International Federation of Airline Pilots, and the American Airlines Association of Hostesses, in calling upon Congress to pass laws prohibiting the sale and serving of alcoholic beverages in any form on airplanes, as this constitutes a menace to both the passengers and those responsible for the safe operation of the plane. We call upon churches in the State to offer their support to the bill being proposed by Senator RICHARD L. NEUBERGER to prohibit sale of alcoholic beverages on both commercial and military planes.

AUTHORIZATION OF APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

The Senate resumed the consideration of the bill (S. 2674) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

Mr. BRICKER. Mr. President, I support the amendments submitted by the distinguished Senator from Iowa [Mr. HICKENLOOPER], the former Chairman of the Joint Committee on Atomic Energy. Every issue has been covered, I think, and properly presented, but I have a short statement which I have prepared in support of the position taken.

There are certain sections in this bill which I oppose. After debate in the House of Representatives last Friday, the House removed these sections, and I hope that the Senate will take similar action.

The sections which should be removed call for increased Federal construction of atomic power reactors and discrimination against private industrial participation and development of atomic power.

This bill, S. 2674, at the present time, provides for $58 million for reactor projects which were not requested by the Atomic Energy Commission, and which, in fact, are opposed by the Atomic Energy Commission. There are many good and sound reasons why the Congress should not direct the Commission to build particular types of reactor projects. I believe that these technical decisions should be left to the Commission, and not specified by the Congress, as this bill does in projects 58-b-8, 58-e-14, and 58-e-15.

I repeat; these projects were added by the committee and are opposed by the Atomic Energy Commission for many reasons. I have available the letter from the Commission dated August 3, 1957, concerning their opposition to these projects, and I would be glad to read from it if any Senators desire further clarification on these points.

This bill also, in section 111, contains certain provisions which cut funds and place restrictions upon participation by private industry in this program. At the same time, section 111 provides that the Federal Government should push aside certain rural electric cooperatives which have submitted proposals, and that the Federal Government should build the reactor itself by making a direct contract with the reactor manufacturer rather than with the rural co-op.

In my State, the city of Piqua, Ohio, has submitted a proposal which would be affected by section 111a (1) of this bill. However, rather than having the Congress provide a mandatory type of contract arrangement, I believe that discretion should be left to the Atomic Energy Commission. This is a proper type of administrative decision. If the Commission decides that the city of Piqua, Ohio, project should go ahead, the Commission would have discretion to proceed with the type of contract it believes best.

In summary, I believe that the amendments adopted by the House were good amendments. They will cut down Federal construction in this field, at great savings to the taxpayers, and will eliminate certain discriminations against private industries participating in this program. I, therefore, urge all Senators to support similar amendments when they will be offered to this bill.

Mr. AIKEN. Mr. President, I wonder if I might have the attention of the Senator from New Mexico, so that I may ask three or four questions to help me get the amendments clear in my mind.

I noticed it was said that the $3 million authorization should be stricken because it would lead to a $100 million expenditure for construction of a reactor next year. What would be the particular purpose of constructing the $100 million reactor, if that is the proper figure of cost?

Mr. ANDERSON. It would be for the plutonium needed for the weapons program, plutonium is much more necessary for the small weapons. Much more plutonium per weapon—per "bang"—has to be used in a small weapon than in a large one. If we switch to the smaller weapon field, we will need more plutonium.

I only say to the Senator from Vermont that it is somewhat like saying that when one gets married, it usually leads to a whole lot of other things down the road. This program will have to come before the Congress. Congress will have to authorize the money. If Congress feels the program is not wise, it will not authorize the money.

Mr. AIKEN. The program will have to come before the Congress?

Mr. ANDERSON. That is correct.

Mr. AIKEN. I should say that a better description would be that this is like getting a marriage license and then making up one's mind as to whether one wants to go through with it.

Mr. ANDERSON. That is a much better expression. That is absolutely true.

We hope that the Atomic Energy Commission will study this question. We do not confine them to a single type of reactor. They could use a single-purpose or a dual-purpose reactor. They could use one of any size. The main thing we ask is that they find out how to make plutonium at a low cost, and if they can do so and they decide to build the reactor, whether it will be built in time to bring relief to some of the old reactors, which are pretty well worn out, before they go further.

Mr. AIKEN. Referring to the next proposed amendment, it has been charged that such a plant would produce Federal atomic power. I assume that it would.

Mr. ANDERSON. No; it would not. The plutonium recycling plant, to cost $15 million, will not produce any Federal power as such. We are trying to learn how to burn plutonium.

Mr. AIKEN. Steam will be produced.

Mr. ANDERSON. As a fuel. If it is the desire to attach the plant to some other plant, that is fine, but the design is not for power purposes at all.

Mr. AIKEN. How long is it anticipated that these plants will be in operation? They will produce steam, I understand.

Mr. ANDERSON. They produce a small amount of current, but they will waste most of it, probably. The essential point is that in the reactor for Detroit Edison, for example, it is planned

to produce plutonium. The Calder Hall type of reactors produce plutonium.

As it is now, all we know how to do with plutonium is to put it into weapons. We are interested in the atoms-for-peace program. We are trying to learn what to do with plutonium in a peaceful economy.

Mr. AIKEN. Am I correct in assuming that after these plants have served their purpose they will be dismantled, under the law?

Mr. ANDERSON. They will be dismantled.

Mr. AIKEN. Does the Senator from New Mexico have any estimate as to how long the plants might be in use for experimental purposes before they are dismantled?

Mr. ANDERSON. We thought 10 years would be an absolute maximum.

Mr. AIKEN. Ten years?

Mr. ANDERSON. I think they will be out of date long before that time.

Mr. AIKEN. I think it was also said that we could get the necessary information, which we would derive from these reactors, from the British. Has the Senator anything to say about that?

Mr. ANDERSON. We cannot get the information that way. We have to learn by doing. We can get some value from the British experience, but we will have to learn the process by building ourselves.

Mr. AIKEN. As to the recommendation which was made that the action proposed would interfere with the production of power from coal, is it anticipated that the time will come when atomic power can be produced cheaper than power from coal?

Mr. ANDERSON. I will say to the Senator from Vermont that we could discuss that subject for hours. I believe the correct answer would be that it is a matter of 40 or 50 years. I think by that time the energy requirements of the United States will have expanded so rapidly that hydroelectric power, power from coal, power from oil, and power from gas, will not be nearly sufficient to take care of the needs, and we will not be able to develop nuclear power as fast as the demand will be created. We cannot expand hydroelectric power much further. The capacity of the Niagara project, which we considered the other day, is about as far as we can go. There simply are not any more good locations.

Mr. AIKEN. The question of location also comes into the picture. For instance, there might be some areas where coal would not be readily available.

Mr. ANDERSON. That is true. The idea of generating power at the mouth of the mine is important. For example, there are now several areas where plants are located because of the natural advantage of coal being readily available. I think that situation will exist long after the Congress finishes consideration of this bill.

Mr. WILEY. Will the Senator permit me to interrupt to ask a question?

Mr. AIKEN. Yes. I have only one more question.

Mr. WILEY. This question relates to the particular subject under discussion. I might say to the Senator that I have been very attentive during the debate on this bill.

One of the projects, which I think is described on page 5, I understand is to be stricken. I understood from the discussion that there were private means available for the undertaking of this project. I think the figure used was $40 million as against $8 million contributed.

Mr. ANDERSON. Yes.

Mr. WILEY. My question is this: If that be true, why is it not advisable to have private interests attempt to do it?

Mr. ANDERSON. I will say to the Senator that no private company has said, "We are ready to build a natural-uranium gas-cooled reactor." Not one has done so. If there is a project which is being proposed, it is by the Florida Power & Light Co. group and that may come many years in the future. That will be $40 million plus $20 million from the Government, and not $8 million, because there is research and development going into the project. Even then, it is a somewhat different type of reactor, that is, it is heavy-water moderated.

This is a very likely looking type of work, and no private company is ready to undertake it.

Let me say, while I am on that subject, because I wrote these dates down, that we tried in the pending bill to provide a cutoff date at which the Commission could get in the third-round invitations. We asked them and ourselves what a good cutoff date would be, so that they could offer their bids and if the bids were not ready the time would run out. If private business were ready to do the work, private industry would be permitted to do it, and, if it were not, the Government would step in. We wanted to provide a cutoff date and say, "If you cannot get the invitations in by this time, then the Government will go ahead. You understand that?" And they said, "Yes; that is right."

We wrote into the bill the date September 15, 1957. Then, after some discussion, we decided to write into the bill the date November 15, 1957. Then, after pointing out some difficulties, they wanted to extend that to June 30, 1958. We did that. Then they came back and said that that was a little too early, and they wanted to make it December 31, 1958.

Does the Senator know what was the date which was finally fixed? It was requested as of December 31, 1959, because there is not any private industry ready to do this work. I believe the bill as finally reported out provided for the December 31, 1958, date, although the date of a year later was proposed by the minority as a realistic date for a certain private project—which was not the Florida project.

Mr. AIKEN. One further question. I notice that section 111 is alleged to discriminate against the only privately sponsored project, and constitute paternalism for the rural cooperatives. Presumably that means subsidy. Would the bill have the effect of subsidizing rural cooperatives?

Mr. ANDERSON. I think it is financial assistance to rural cooperatives. The Chairman of the Atomic Energy Commission, when he met with us, said, "These co-ops do not have private capital. We must handle it in the only way we can." I think he was absolutely correct. We must give the cooperatives a bill of this nature, if we are to get them into the movement at all. The amounts involved are very modest. The entire amount is only $89 million, and we are going to spend that much on the Shippingport reactor.

Mr. AIKEN. Would this be more of a subsidy for cooperatives than lending money at 2 percent interest?

Mr. ANDERSON. I do not know how to measure one against the other, but I do not think it would be. It is a similar type of thing.

Mr. AIKEN. Does the Federal Government at the present time produce from atomic plants any power whatsoever which it resells?

Mr. ANDERSON. The plant at West Milton produced a small amount of intermittent power which the Atomic Energy Commission offered for sale. It was bought by a private power company at a rather low rate, but it was rather poor power. It was intermittent. A small amount of it was sold, but I think that has now been stopped. It was sold only for a very short time, and in a very small amount. I know of no other power which is being sold at the present time. I do not believe there is any.

Mr. AIKEN. Are the federally owned plants now used for experimental purposes, exclusively, or do they produce any power for sale?

Mr. ANDERSON. The best answer, I think, is that they are used for experimental purposes.

At Arco, Idaho, for example, they turned a switch and lighted an electric bulb on Dr. Zinn's EBRI. They later lighted the town of Arco for a few minutes from his Borax reactor. In New York, when the SIR plant was first started, a giant light was turned on, and current flowed for a short time. The purpose is purely experimental. It is not for the purpose of selling power.

Mr. AIKEN. Is it the general purpose of the bill to provide the means whereby the Federal Government will try out the various types of reactors, so that when the best types have been ascertained, then private industry, as well as municipalities, may construct such reactors?

Mr. ANDERSON. That is the real purpose. I appreciate the questions from the Senator from Vermont. Let me show how the process works genealogically. The Government wanted to build a certain type of reactor for ultimate submarine propulsion. It was built first at Arco, because it was feared that it might not be safe. It was tested there, and then the Government used that prototype as a model for the *Nautilus* submarine. It went into the *Nautilus* and worked perfectly. This type of reactor was then used as the basis for the Shippingport plant, and now an advanced design of it is being used for the Yankee plant. So there are several generations before we reach the final plant. Even that plant will be refined later, and will be used in other projects here and abroad. This is a very expensive type

of business which no private capital can handle. No private capital in the world could sustain the loss of $30 million which was experienced at the Shippingport project.

Mr. AIKEN. Then it is not the purpose to put the Federal Government into the business of producing power from the atom, in competition with private power companies?

Mr. ANDERSON. It is not.

Let me say at this point that the junior Senator from Idaho [Mr. CHURCH] has written me a letter with reference to his plans. He was called away to do some work for the Congress and the country, and he asked me to have the letter inserted in the RECORD at this point.

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

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

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
August 13, 1957.

Senator CLINTON P. ANDERSON,
Vice Chairman, Joint Committee on Atomic Energy, Washington, D. C.

DEAR SENATOR ANDERSON: Before leaving for Buenos Aires, where I have been asked to serve as Congressional observer at the Economic Conference of the Organization of American States, I am anxious to let you know of my views in regard to S. 2674, the pending bill to authorize Atomic Energy Commission construction projects.

As you are aware, the House, in acting upon its version of the bill struck, among other things, project 58-e-14, a proposed natural uranium gas cooled reactor. In reading the committee's report on this bill and your comments, I have been impressed with the virtues of the experimental project rich in its potential value for the growth of peacetime nuclear technology.

I hope that the Senate will support you and retain this project in the bill.

Sincerely,

FRANK CHURCH,
United States Senator.

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

Mr. ANDERSON. I yield.

Mr. WILEY. I understood the Senator's answer was very firm to the effect that no private capital would be forthcoming under the bill, if enacted, but that the closing date ran to December of this year, or December of next year. What did the Senator mean by that?

Mr. ANDERSON. The Government has had three rounds of invitations. Under the first round certain large projects were being approved for construction. Then the Government came out with the second round of experimental projects, through the Atomic Energy Commission—and I think very wisely. When it did, it included four small projects for small cooperatives.

It then announced the third round. The Yankee came under the first round, the co-ops and public organizations under the second and Florida Northern States came under the third category.

The Commission said, however, that if the cooperatives did not come in, and private industry did not enter the program, the Government would go ahead.

Then we said, "Let us set a date up to which these invitations will be received from private industry." At first the final date was set at September 1957, and then it was moved to June 1958. When we established the date of September 1957, we were asked to move it a little further along so that private industry could come in later.

Mr. WILEY. Has that been done?

Mr. ANDERSON. Oh, yes. We moved it in successive stages from September 1957, to November 15, 1957, June 30, 1958, December 31, 1958, and finally we considered December 31, 1959.

Mr. WILEY. So that if private industry wishes to come in, it will have the opportunity to do so.

Mr. ANDERSON. Absolutely.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. HICKENLOOPER].

Mr. ANDERSON. 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	Hayden	Mundt
Anderson	Hickenlooper	Murray
Barrett	Hill	Neuberger
Beall	Holland	O'Mahoney
Bennett	Hruska	Pastore
Bible	Humphrey	Potter
Bricker	Ives	Purtell
Bush	Jackson	Revercomb
Butler	Javits	Robertson
Byrd	Johnston, S. C.	Russell
Carlson	Kennedy	Saltonstall
Carroll	Kerr	Schoeppel
Case, N. J.	Knowland	Scott
Case, S. Dak.	Kuchel	Smathers
Clark	Langer	Smith, Maine
Cooper	Lausche	Smith, N. J.
Curtis	Long	Sparkman
Dirksen	Magnuson	Stennis
Douglas	Mansfield	Symington
Dworshak	Martin, Iowa	Talmadge
Eastland	Martin, Pa.	Thurmond
Ellender	McClellan	Thye
Ervin	McNamara	Watkins
Fulbright	Monroney	Wiley
Gore	Morse	Williams
Green	Morton	Yarborough

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent by leave of the Senate attending the Economic Conference of the Organization of American States at Buenos Aires.

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 Colorado [Mr. ALLOTT] is absent because of illness in his family.

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 Vermont [Mr. FLANDERS] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Indiana [Mr. JENNER] is detained on official business.

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

Mr. ANDERSON. Mr. President, I ask for the yeas and nays on the pending question.

The yeas and nays were ordered.

Mr. DWORSHAK. Mr. President, I offer an amendment, in the nature of a substitute, for a part of the amendment offered by the Senator from Iowa.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, line 9 through line 12, it is proposed to strike all of lines 9 to 12 and insert in lieu thereof the following:

14. Project 58-e-14 Natural Uranium Gas-Cooled Power Reactor; development, design and engineering only, $500,000. The Commission shall proceed with sufficient design work, together with the appropriate engineering and development work, necessary for the Commission to begin construction as soon as practicable after authorization by the Congress, of a large-scale natural uranium gas-cooled power reactor. The Commission shall submit to the Joint Committee on Atomic Energy a report on its design for this project, including cost estimates and schedule of construction, not later than April 1, 1958.

Mr. DWORSHAK. Mr. President, the amendment I offer would accord the same procedure for project 58-e-14 as is provided in the bill for project 58-b-8 at the bottom of page 2 of the bill.

Mr. President, I have been somewhat hesitant about offering the substitute for the first half of the amendment offered by the Senator from Iowa [Mr. HICKENLOOPER], because the discussion within the Joint Committee on Atomic Energy and the deliberations in the Senate today indicate the possibility that the project for a natural uranium, graphite moderated, gas cooled, power reactor prototype designed for the production of approximately 40,000 electrical kilowatts, at a cost of $40 million, would be located in some area contiguous to an AEC installation, because the bill stipulates that the power generated must be used exclusively for the operation of an installation, and must not be sold for public consumption.

On that basis it would appear that I am proposing something which might deprive my State of the possibility or the likelihood of having located within its borders a 40,000 electrical kilowatt plant using natural uranium. But, Mr. President, after the several weeks of hearings before the Joint Committee—first before the Joint Committee's subcommittee on legislation—and after the debate in the Senate today, there still remains in my mind some doubt, because of the conflicting and divergent views expressed by members of the Joint Committee, all of whom I concede are very sincere and

conscientious in the viewpoints they hold regarding this specific issue. With that difference of opinion existing between the Atomic Energy Commission and the majority of the Joint Committee, I am not sure that we would be justified in giving to the Atomic Energy Commission a Congressional mandate immediately to proceed with the construction of this plant. In other words, there still remains in my mind a reasonable doubt.

Notwithstanding the fact that in Idaho we would be very happy, I am sure, to have this $40 million installation, it is difficult for me to go along with a proposal which may reflect an element of political expediency at a time when it is not definitely known whether the Atomic Energy Commission is justified in expending $40 million for a natural uranium nuclear powerplant.

I do not know what will be the reaction of my colleagues on the Joint Committee. But, Mr. President, as I pointed out at the beginning of my remarks, this proposal is precisely the same as that in paragraph 8, on page 2 of the bill, in the case of project 58-b-8, which would authorize the appropriation of $3 million to enable the Commission to make a comparable study of large-scale single or dual-purpose reactor and to report to the Joint Committee not later than April 1, 1958.

Mr. President, I offer the amendment on the basis that it resolves the doubt which I still have in my mind concerning this proposal.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The question is on agreeing to the amendment of the Senator from Idaho [Mr. DWORSHAK].

Mr. ANDERSON. Mr. President, I appreciate the interest the Senator from Idaho has in this matter. But I think his amendment should be rejected.

A similar proposal was made in the committee, and it was rejected by the committee. I admit that it was rejected by a divided vote; it was not unanimously rejected.

But either we are going to find out how to build a natural uranium reactor in time to stay in the international field, or we are not. To appropriate $500,000 for use by the Chairman of the Commission, who is determined not to go into this field, will be throwing money away.

If we are going to go into it, we might just as well build the reactor. The scientists and engineers have told us how to do it. Mr. President, without laboring the point, I desire to say that I hope we will do it.

So, Mr. President, I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

Mr. KNOWLAND. Mr. President, on this question, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SPARKMAN (when his name was called). On this vote, I have a pair with the junior Senator from Vermont [Mr. FLANDERS]. If the Senator from Vermont were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent by leave of the Senate attending the Economic Conference of the Organization of American States at Buenos Aires.

The Senator from Missouri [Mr. HENNINGS] is absent by leave of the Senate because of illness.

On this vote, the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Idaho would vote "nay" and the Senator from Indiana would vote "yea."

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Missouri [Mr. HENNINGS], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from West Virginia [Mr. NEELY] would each vote "nay."

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 Colorado [Mr. ALLOTT] is absent because of illness in his family.

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 Beunos Aires. He is paired with the Senator from Idaho [Mr. CHURCH]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Idaho would vote "nay."

The Senator from Vermont [Mr. FLANDERS] is necessarily absent. His pair with the Senator from Alabama [Mr. SPARKMAN] has previously been announced.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Indiana [Mr. JENNER] and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from New Hampshire [Mr. COTTON], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Maine [Mr. PAYNE] would each vote "yea."

The result was announced—yeas 37, nays 40, as follows:

YEAS—37

Barrett	Hickenlooper	Revercomb
Beall	Hruska	Robertson
Bennett	Ives	Saltonstall
Bricker	Javits	Schoeppel
Bush	Knowland	Smith, Maine
Butler	Kuchel	Smith, N. J.
Byrd	Lausche	Thurmond
Carlson	Martin, Iowa	Thye
Case, N. J.	Martin, Pa.	Watkins
Case, S. Dak.	Morton	Wiley
Curtis	Mundt	Williams
Dirksen	Potter	
Dworshak	Purtell	

NAYS—40

Aiken	Hill	Morse
Anderson	Holland	Murray
Bible	Humphrey	Neuberger
Carroll	Jackson	O'Mahoney
Clark	Johnston, S. C.	Pastore
Cooper	Kennedy	Russell
Douglas	Kerr	Scott
Eastland	Langer	Smathers
Ellender	Long	Stennis
Ervin	Magnuson	Symington
Fulbright	Mansfield	Talmadge
Gore	McClellan	Yarborough
Green	McNamara	
Hayden	Monroney	

NOT VOTING—18

Allott	Flanders	Kefauver
Bridges	Frear	Malone
Capehart	Goldwater	Neely
Chavez	Hennings	Payne
Church	Jenner	Sparkman
Cotton	Johnson, Tex.	Young

So Mr. DWORSHAK's amendment was rejected.

Mr. GORE. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. ANDERSON. Mr. President, I move that the motion to reconsider be laid on the table.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. HICKENLOOPER. Mr. President first may I inquire what the parliamentary situation is?

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Iowa. The yeas and nays have been ordered.

Mr. HICKENLOOPER. There is just one issue in the amendment which I have offered. It is to strike two projects on page 5 of the bill, project 58-e-14 and project 58-e-15, the first calling for an expenditure of $40 million for a reactor which the Atomic Energy Commission has not requested, does not want, and does not want to build, because private industry is proposing, and is in the process of negotiating to build the same kind of reactor, where the same kind of information could be obtained.

The second project, 58-e-15 calls for an expenditure of $15 million for a reactor for which the Atomic Energy Commission made no request. Both of those projects, amounting to $55 million, have been injected into the authorization bill by the action of the committee without the request of the Atomic Energy Commission, and, in fact, over its objection.

Both reactors involve areas of interest. The first one, involving $40 million, would be requested eventually by

the Atomic Energy Commission if private enterprise, the Florida group, under Dr. Zinn, were not proposing, to put up their own money and build it.

The plutonium recycle experimental reactor eventually will be built, but the Commission says the state of the art is not sufficiently advanced to precipitately build it, as ordered by the committee.

Mr. President, my amendment proposes to strike those two items from the bill. If we are interested in economy, here is one instance where we can follow recommendations of an agency of the Government that does not reqeust the money this time.

That is what is involved in my amendment. That is all I have to say, in addition to what I said a while ago.

Mr. ANDERSON. Mr. President, I promise the Senate I will not take more than a minute or a minute and a half. This matter was carefully considered over and over again. We are going to build a recycle plan this year or next year. What is wrong with building it now? Does anyone think costs are going down next year? The Chairman of the Atomic Energy Commission testified he thought the Commission would be building it in the following year. We believe it should be done now. We believe we should employ plutonium in peaceful uses.

The Senate a moment ago voted on another proposal. I only say there is a necessity to build the type of plant called for. We believe it ought to be done now. We believe it would be in the interest of economy to do it now. We know there is a Florida group proposing to build one, but it is not this exact type. The fact that the use of natural uranium is involved does not mean all the reactors are alike. This type is one the has done so well for the British at Calder Hall that the Japanese, after looking at it have decided they would like to have the British-built one for them. I thing it is bad economy not to get into that field.

I hope the amendment of the Senator from Iowa will be rejected.

Mr. HOLLAND. Mr. President, I should like to address an inquiry, if I may, to the distinguished Senator from New Mexico relative to project 58-e-14. I have had several letters from Florida, all stating that the so-called Florida group is prepared to put up $40 million of its own money in the building of a project, which would be, they say, duplicated by this particular project.

Mr. ANDERSON. I am sure Dr. Zinn does not say that.

Mr. HOLLAND. Furthermore, and I read from one of the letters:

> We are concerned that S. 2674—

Which is the bill we are now debating—

> reported by the Joint Committee on Atomic Energy has apparently eliminated authorization funds to enable AEC to carry out its contract with Power Reactor Development Co.—

Is that the Florida company?

Mr. ANDERSON. No, that is not; that is the Michigan company.

Mr. HOLLAND (reading):

> As reported on page 19, Committee Report 971—

Mr. ANDERSON. The Senator is not talking about the Florida group; that is the Michigan group.

Mr. HOLLAND. That is the point of my inquiry. Which is the Florida group?

Mr. ANDERSON. I say to the Senator from Florida he is entirely correct when he says the Florida group has offered to put up $40 million of its own money, along with $20 million of Government money; but that is a different type.

I call attention to the bottom of page 26 of the report, which states:

> Since the moderator would not be heavy water, the reactor and its development would differ considerably from the gas-cooled heavy water reactor sponsored by the Florida power group and Dr. Zinn.

I only say to the Senator from Florida the Florida group could not render a better service to all the world than to have this natural uranium reactor built, so that we might learn the mistakes the Government would make in the first reactor of that kind.

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

Mr. ANDERSON. I yield.

Mr. GORE. Is it not true that the bilateral agreement between the United States and Great Britain contains a provision by which the Atomic Energy Commission may obtain for its use technological information developed by Great Britain in its Calder Hall reactor; and is it not also true that if, through the use of that technology by the Commission, the concept is developed, then it becomes available to the Florida group and to the industry of America generally?

Mr. ANDERSON. Precisely. It was stated a moment ago that under the bilateral agreement we do not get any benefit from the British experience unless it is through building a Government-owned reactor. The AEC Chairman testified over and over again it could not be done except through a Government plant. Once it is built, the experience of this Government will be available to the Florida group and will save them millions and millions of dollars, as it should.

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

Mr. ANDERSON. I yield.

Mr. GORE. Is it not true that under present arrangement, with the adoption of this amendment, the technology developed at Calder Hall will not be available to the Florida group?

Mr. ANDERSON. The Senator is correct. If this amendment is approved, it will not be available to the Florida group.

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

Mr. ANDERSON. I yield.

Mr. HOLLAND. I note that Florida companies are interested both in what is called the Florida group and what the Senator has referred to as the Michigan group.

Mr. ANDERSON. The Senator is correct.

I may say to the Senator from Florida that if we could I should like to finish with this amendment. I think there is going to be an amendment offered as to the Detroit reactor at a later time. We will discuss it then. I do not mind discussing it now, of course.

I say that we have provided for the Detroit group all the money the Atomic Energy Commission has asked for this year, and all the money the Bureau of the Budget has approved for this fiscal year. I do not know how we can do otherwise. I know there is an argument about it, but the matter is in court at the present time, and we do not think we should commit ourselves years into the future.

We have given them the $1½ million, which was all the Atomic Energy Commission asked for this fiscal year, and all the Bureau of the Budget recommended for this fiscal year. Next year will be another story. I will come to that later on.

Mr. HOLLAND. Is the letter I hold in my hand correct in the statement that the private companies in the Detroit group, of which this company is one, proposed to put in approximately $44 million of their own money?

Mr. ANDERSON. It would take me a long time to answer that question. It is true that the total amount of money to be raised will be $44 million. It will all come out of the 52 percent tax money. The Government starts out by making a contribution of half. The Government gives the group many millions of dollars for research and development.

The group in the power reactor development situation in Detroit is putting up approximately $44 million; yes, that is correct. All of that is to be charged to current expenses, which are to be taken out of current profits, even though it is for the long-time development. That is completely proper, in order to encourage the reactor development in this country.

Mr. HOLLAND. Is it correct, as stated to me by the so-called Florida group, that they are prepared to put $40 million into the project?

Mr. ANDERSON. That is correct, plus $20 million of Government money. That is fine.

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

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. I have done some checking on that. My best information is that it is $9 million in cash, plus $7 million in a waiver of fuel charges. I may be in error about that.

Mr. ANDERSON. Yes, but there is a question mark there, let me say to the Senator from Iowa. When they went below on the list of costs they found, "postconstruction research and development," which in the case of one of the small REA's was $3 million. They put a question mark there. We understand the figure finally will be about $20 million. I do not think that is improper. I think it is tremendously important that the Florida reactor be built. We have tried to help it along.

I will say to the two Senators from Florida that if we had depended upon the sort of operation which the Atomic Energy Commission is suggesting here, we would never have built the Yankee

plant in New England, which is now under construction. It was only because we built the Shippingport project, as a result of building the *Nautilus*, as a result of building a project in Idaho, that we finally got to the place where a plant could be built which would be economical.

If the Florida Senators will stay with this program, the day will come when they will have exactly what the people of Florida want, namely, a natural uranium reactor designed by the man who I think is the greatest expert in that field in the country. I would be happy to see that done.

Mr. HOLLAND. Mr. President, I should like to ask one more question.

In another letter I find this recital:

> The proposals in this committee measure place the Federal Government into the atomic power development field. The cost of one of the reactors alone would be $40 million. The $40 million reactor has already been built and is in operation at Calder Hall in Great Britain. Through treaties with Great Britain, the United States has complete access to all information, research and technical, developed by that reactor.

Are those statements correct?

Mr. ANDERSON. I have answered that. We do not have that information. That is the trouble. They get information which they think is authentic, but it is not.

As to the bilateral agreement, the Senator from Iowa explained that very clearly a while ago. There are patents on this device in Great Britain. The British operate under royalties. If the reactors are to be built in the United States, there has to be a royalty basis. Therefore, this information will be made available to the United States on the basis that it can be used for a Government-owned reactor, but it cannot be used for a privately owned reactor.

We are trying, by the construction of this reactor, to give American industry a chance to get into the work in this field and all the surroundings, to find out what is going on. It is of interest to the whole world.

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

Mr. ANDERSON. I am happy to yield to the Senator from Tennessee.

Mr. GORE. Is it not true that the bilateral agreement is one government vis-a-vis another government?

Mr. ANDERSON. The Senator is correct.

Mr. GORE. By that agreement certain information regarding the *Nautilus* submarine is made available to the Government of Great Britain by the United States and, we hope that in exchange, the technology of Calder Hall is made available to the Government of the United States.

Mr. ANDERSON. The Senator is correct.

Mr. GORE. Then when the information is utilized by the United States in a Government plant, it becomes information in the public domain and the Florida group or any other industrial group can benefit by it.

Mr. ANDERSON. The Senator is completely correct.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. ANDERSON. I yield to the Senator from Louisiana.

Mr. LONG. The Senator made reference to the position of the Florida group and Dr. Zinn. I do not happen to know either the Florida group or Dr. Zinn, but, as I understand it, they propose to produce a somewhat similar type of facility.

I want to ask the Senator if I understand correctly from his answer that the group referred to is either in favor of the proposal that the Government build the reactor or has no objection to it.

Mr. ANDERSON. That group has no objection to it.

I want to say further that Dr. Zinn, after he left the Argonne Laboratory, became the consultant to the Joint Committee on Atomic Energy and laid out for us a program of development along a line which I think is sound. He subsequently was engaged by the Florida group. I think he is one of America's great experts. I believe the Florida group will come up with something which will be extremely significant. At least they will have something in competition with the pressurized water reactor type that is going to be built so generously around the United States by other groups of companies.

This situation is something like that of the old days, when one person thought the steam type automobile was the thing to build, and somebody else thought the gasoline type of automobile was the thing to build. We are going to test them all, in order to find out.

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

Mr. MUNDT. Mr. President——

Mr. SALTONSTALL. Mr. President, I withdraw that request, if the Senator desires to speak.

Mr. MUNDT. I should like to address a question or two to the Senator from Iowa.

Are the projects involved in this bill and on which we are about to vote the same projects which were taken out of the proposed legislation by an overwhelming yea and nay vote of the House of Representatives?

Mr. HICKENLOOPER. Yes. The House struck the money for these two reactors from the bill in its vote on the House bill.

Mr. MUNDT. How much money is involved?

Mr. HICKENLOOPER. Fifty-five million dollars.

Mr. MUNDT. Does the Senator recall what the vote was in the House?

Mr. HICKENLOOPER. I do not have it before me. I can look it up in the RECORD.

Mr. ANDERSON. The vote was 213 to 185.

Mr. MUNDT. I thank the Senator.

Does the Senator from Iowa know any reason why in this period of economy, or at least in this era when we talk about economy and do not always practice it, we should appropriate $55 million to do something which, as I understand, private power or private scientific groups are willing to do with their own money?

Mr. HICKENLOOPER. The $40 million applies to the natural uranium reactor, the type of reactor in which the Florida group is interested. Frankly, if we force the Atomic Energy Commission to spend $40 million of the taxpayers' money to experiment on the natural uranium reactor, when they do not want to do it, then I see no reason whatsoever for putting more of the taxpayers' money into the Florida group's operation.

I do not know what the Atomic Energy Commission will think about that, but I should like to see private enterprise come forward and cooperate with the Government, as the law of 1954 contemplated would be done. That is why I support the operation of the Florida group. I want to support their experiments and their willingness to spend their own money. I see no reason why the Government should be forced, against its will, to spend $40 million on such a reactor, and to spend $15 million at this time on the so-called plutonium recycle reactor which eventually will be built. That should be built in good time and in good season, when, in the minds of the Commission members, the technology is proper and the time is ripe for successful production of a plant.

This is a question of the Congress attempting to write the details of administrative decisions. I think we found out in one of the wars some time ago that a war cannot be conducted by Congress. We have to trust the administrative officials.

What is being attempted here is to dictate to the Commission what it shall do, to the tune of $55 million, in a matter which should be within the administrative province of the Commission. We should stay within the field of policy.

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

Mr. HICKENLOOPER. I yield.

Mr. MUNDT. Do I understand correctly that the Atomic Energy Commission is opposed to spending the $55 million at this time for this purpose?

Mr. HICKENLOOPER. The Senator is correct.

Mr. MUNDT. So that the Congress of the United States would be in the position of forcing upon the administration, or forcing upon a branch of the Government, $55 million it does not want, in contravention of our talk about economy, if we insist on spending it at this time.

Mr. HICKENLOOPER. I think that is one way of stating it.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. CASE of New Jersey. Mr. President, I rise only to emphasize one point, following the questions put to the Senator from Iowa by the Senator from South Dakota.

It seems to me that the problem we face results directly from the amendment of section 261 of the Atomic Energy Act adopted earlier this year under which the Congress assumed the power to decide administrative questions and to make decisions as to particular projects. I believe this was utterly wrong, and that the demonstration we have had here today of our difficulty in doing the

right thing stems directly from that action.

I should like to emphasize that it is not only a question of spending more money than the administration, through the Atomic Energy Commission, asks us to spend, but it is a question of spending it for particular projects which the Commission says it does not believe should be engaged in at this time.

I think that even more important than the spending of the money is the matter of usurping the executive prerogative and responsibility, which the legislative branch of the Government ought not to do. We ought not to turn the Atomic Energy Act and its administration into a public works program. That is the course we seem to be following.

Mr. SALTONSTALL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. HICKENLOOPER]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. FULBRIGHT (when his name was called). On this vote I have a pair with the senior Senator from Tennessee [Mr. KEFAUVER]. If the Senator from Tennessee were present he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. ROBERTSON (when his name was called). On this vote I have a pair with the junior Senator from Missouri [Mr. HENNINGS]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

Mr. SPARKMAN (when his name was called). On this vote I have a pair with the junior Senator from Vermont [Mr. FLANDERS]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Delaware [Mr. FREAR], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent by leave of the Senate attending the Economic Conference of the Organization of American States at Buenos Aires.

The Senator from Missouri [Mr. HENNINGS] is absent by leave of the Senate because of illness.

On the vote the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Idaho would vote "nay" and the Senator from Indiana would vote "yea."

I further announce that if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Texas [Mr. JOHNSON], and the Senator from West Virginia [Mr. NEELY] would each vote "nay."

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 Colorado [Mr. ALLOTT] is absent because of illness in his family.

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 and is paired with the Senator from Idaho [Mr. CHURCH]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Idaho would vote "nay."

The Senator from Vermont [Mr. FLANDERS] is necessarily absent, and his pair with the Senator from Alabama [Mr. SPARKMAN] has been previously announced.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from Indiana [Mr. JENNER] and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from New Hampshire [Mr. COTTON], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Maine [Mr. PAYNE] would each vote "yea."

The result was announced—yeas 34, nays 42, as follows:

YEAS—34

Barrett	Hickenlooper	Purtell
Beall	Hruska	Revercomb
Bennett	Ives	Saltonstall
Bricker	Javits	Schoeppel
Bush	Knowland	Smith, Maine
Butler	Kuchel	Smith, N. J.
Byrd	Lausche	Thye
Carlson	Martin, Iowa	Watkins
Case, N. J.	Martin, Pa.	Wiley
Case, S. Dak.	Morton	Williams
Curtis	Mundt	
Dirksen	Potter	

NAYS—42

Aiken	Hayden	Monroney
Anderson	Hill	Morse
Bible	Holland	Murray
Carroll	Humphrey	Neuberger
Chavez	Jackson	O'Mahoney
Clark	Johnston, S. C.	Pastore
Cooper	Kennedy	Russell
Douglas	Kerr	Scott
Dworshak	Langer	Smathers
Eastland	Long	Stennis
Ellender	Magnuson	Symington
Ervin	Mansfield	Talmadge
Gore	McClellan	Thurmond
Green	McNamara	Yarborough

NOT VOTING—19

Allott	Fulbright	Neely
Bridges	Goldwater	Payne
Capehart	Hennings	Robertson
Church	Jenner	Sparkman
Cotton	Johnson, Tex.	Young
Flanders	Kefauver	
Frear	Malone	

So Mr. HICKENLOOPER'S amendment was rejected.

Mr. GORE. Mr. President, I move that the vote by which the Hickenlooper amendment was rejected be reconsidered.

Mr. ANDERSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. PURTELL in the chair). The bill is open to further amendment.

Mr. HICKENLOOPER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Iowa will be stated.

The CHIEF CLERK. On page 5, line 4, it is proposed to strike out all of section 111 (a) and substitute the following:

SEC. 111. Cooperative power reactor demonstration program:

"a. There is hereby authorized to be appropriated to the Atomic Energy Commission in accordance with the provisions of section 261 a. (2) of the Atomic Energy Act of 1954, as amended, the sum of $132,621,000: *Provided, however,* That not more than $1,500,000 is authorized for the Power Reactor Development Company project during fiscal year 1958.

Mr. HICKENLOOPER. Mr. President, I do not wish to take any substantial amount of time on this amendment. I hope to be able to explain it very briefly. I think I am aware of the mood of the Senate in this matter. Action on the last amendment was certainly indicative.

As the bill came from the committee it authorized the expenditure of between $90 million and $99 million for the construction of reactors for cooperatives and public bodies.

I am not objecting to that. That provision was stricken from the House bill. I am not objecting to the cooperative association between the Commission and cooperative power companies or public bodies. What happened in the committee was this. It is a situation the Commission did not want at all. Therefore the Joint Committee wrote into the bill over the objection of a substantial number of the members of the committee, a mandatory provision that the Commission must deal and contract directly with the suppliers, rather than make its contracts with cooperatives or with public bodies in a partnership arrangement, as they did in round 1, and propose to do in round 3 with private industry.

In other words, what will happen, if the language prevails and goes into law, is that the Commission will make its contracts directly with the supplier or the manufacturer. The Commission will build the atomic reactor at a proper site near the cooperative operation of the public body, and the Commission will operate the plant, and then the Commission will sell the steam, as the Senator from Minnesota [Mr. THYE] pointed out so ably this morning, at the end of a spigot to the cooperative. The cooperative will say, "We are in the atomic power business."

The Commission will sell the steam to them at the current and projected cost of such steam from conventional fuels,

and the Government will make up the difference.

It is stated in the report that while it is supposed to be an experimental plant, nevertheless, if power is interrupted for one reason or another, for scientific purposes or otherwise, and the particular cooperative or public body must buy electricity from a high-priced source to fill in the interrupted power, then the Government will make up the difference between the contracted price of the cooperative and what the high-price-source power costs during the period of interrupted power.

That is what we would be up against. Although it is supposed to be experimental, for the first time it is actually putting the Atomic Energy Commission directly into the commercial business of building powerplants and selling power commercially. That is what it is.

The Atomic Energy Commission, in my opinion, has just about as much business in the commercial production and commercial sale of power as the Federal Communications Commission has in operating a telephone company. It has just about that much right.

That is what is in the amendment, with the one exception that it would strike out the $1,500,000 on page 16, in section 111 (a) (2), which is intended by the committee to aid in research for the Power Research Development enterprise in Michigan, which is building its own reactor under its own steam power, and which Mr. Walter Reuther is fighting so hard. It would cut out $1,500,000 for research on that particular type of reactor.

My amendment, in addition to striking that sentence, restores the $1,500,000 by providing that "Not more than $1,500,000 is authorized for the Power Reactor Development Co. project during fiscal year 1958."

I do not intend to enter into an argument about it, but that is a very important project being developed in Michigan. There must be some more research on that particular type of reactor before the reactor safeguard committee can certify it as being safe. That development should go on. I did not want to strike out the $1,500,000.

What is provided by my amendment, in effect, is that the Atomic Energy Commission can contract either with the cooperative or with the supplier. That is exactly what it says. It gives the Commission discretion as to whether in certain cases it wants to contract directly with the cooperative for the assumption of responsibility or, in other cases, it wants to contract with the supplier.

That is the issue. In the bill as reported, the committee issues a mandate that the Commission, when it is dealing with cooperatives and public bodies, has no other choice but to contract in every case with the supplier, and bypass the cooperative, and in that way bypass the philosophy of the act of 1954, which was to create a partnership of responsibility.

It is said that the amendment would eliminate the waiver of fuel use charges. I say that is nothing more than a smoke screen, because the waiver of fuel use charges is already authorized by the basic act. Merely because it is mentioned in the part of the act which would be eliminated by my amendment does mean that the Commission could not waive the fuel charges.

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

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. The Senator may be correct with respect to the basic act, but the basic act was changed by the amendment of section 261 specifically in so many words.

Mr. HICKENLOOPER. I do not believe section 53 (c) was changed.

Mr. ANDERSON. The change in section 261 specifically required authorization of the waiver of fuel use charges.

Mr. HICKENLOOPER. I do not think that affects it at all. I believe the Commission believes it has the authority to waive fuel use charges. Therefore the amendment would have no effect there.

That is all I have to say on the amendment. The bill is going to put the Atomic Energy Commission into the commercial production and sale of power, and it is the first time, in my judgment, that we are putting a Federal agency into the private commercial competitive field. Certainly there will be a certain amount of research in the field, but I believe that a real partnership between the Government and the cooperative should be established. I believe the Commission in its operations ought to have the alternative right of dealing directly with the manufacturer or dealing directly by contracts with the cooperative or the public body involved.

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

Mr. HICKENLOOPER. I yield.

Mr. POTTER. Is it not true that the other part of the amendment also clarifies the language of the bill as it deals with the relationship with the Atomic Energy Commission in the Power Reactor Development Co. situation?

Mr. HICKENLOOPER. I think so. The Senator from New Mexico [Mr. ANDERSON] said—and very properly, I think—in answer to a question a short time ago, that that took care of the $1,500,000 for the Public Reactor Development Corp., but if we read the report, that is not what is said in the report. What it says is diametrically opposed to that. It was my contention in committee that the report did not reflect what the committee almost unanimously, so far as I can recall, agreed should be done. I cannot imagine how that language crept into the report, but it is in there.

Mr. POTTER. The committee report states:

> The committee does not approve the requested authorization for preconstruction research and development work and waiver of fuel-use charges in connection with the reactor project of the Power Reactor Development Co.

Mr. HICKENLOOPER. Yes; that is the language to which I was referring. I say that it was the general—and I think universal—understanding of the committee that the million and a half dollars could be used for the Power Reactor Development Co., but for some reason or other the committee report contains the language the Senator has read.

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

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. The matter is in litigation. The million and a half dollars will be useful on projects specifically required to complete this reactor so far as research is concerned. Thirty million dollars, in addition, is contained in the bill for the general field including FBR II which is essential to the PRDC. We thought that we did very well for the general field. We thought that we did very well in providing the exact amount approved by the Bureau of the Budget and requested by the Atomic Energy Commission for this year, but it seemed desirable to make it available to be spent by the Commission in its own laboratories. That is what it asked for.

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

Mr. HICKENLOOPER. I merely wish to say that I agree with the Senator from New Mexico, but I cannot square the understanding of the committee, where we discussed it definitely, with this peculiar language in the report.

Mr. President, I have before me a statement dealing with the question of waiver of charges for the use of special nuclear materials. I shall not take the time of the Senate to read the statement; but I ask unanimous consent that it be printed at this point in the RECORD.

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

STATEMENT BY SENATOR HICKENLOOPER CONCERNING EFFECT OF HIS PROPOSED AMENDMENT TO SECTION 111 ON COMMISSION'S AUTHORITY TO WAIVE CHARGES FOR THE USE OF SPECIAL NUCLEAR MATERIALS

This amendment to section 111 also deletes the language in the bill concerning a program total not to exceed $149,915,000. As indicated by the language itself and by the committee report (Senate Report No. 791) at page 33, this language "not to exceed a program total" was included in the bill only as a limitation on the authority of the Commission to waive charges for the use of special nuclear materials. My amendment removes this limitation, as well as the three limitations added in subsections (1), (2), and (3), and returns the Commission to its basic authority under section 53c of the Atomic Energy Act of 1954 to waive such charges. I attach a memorandum which further clarifies the intent of this proposed amendment.

This language concerning a limitation on the waiver of use charges would operate, if included in this bill, as still another discrimination against private industry, since waiver of use charges would not be applicable to the proposed public power reactor where title would be in the Federal Government, and waiver would not be requested. Thus this provision affecting waiver of use charges would only operate as a restriction upon the assistance to be provided to privately sponsored projects which have requested it, such as the Power Reactor Development Co. in Michigan, the Yankee Atomic Electric Co. in New England, the Northern States Power Group in the Midwest, and the Florida Nuclear Power Group in the Deep South. These are the only groups which would be affected at the present time by restriction upon the Commission's authority in section 53c to waive charges for the use of special nuclear materials.

This discrimination against privately sponsored projects, as well as the discriminations now contained in the attempted cut for the Power Reactor Development Co. in this section, and the discriminations in subsections (1), (2), and (3), should be removed from the bill. That is the intent of my proposed amendment.

AUTHORITY OF AEC TO WAIVE CHARGES FOR USE OF SPECIAL NUCLEAR MATERIALS IN SECTION 110 OF H. R. 8996, ADC AUTHORIZATION BILL, AS IT PASSED THE HOUSE OF REPRESENTATIVES

Section 110 of H. R. 8996, as it passed the House of Representatives, authorizes appropriations, "in accordance with the provisions of section 261a (2)," of $132,621,000. The legislative history of the authorization bill shows that this amount is for the purpose of covering AEC anticipated expenditures, with respect to the projects in the cooperative program for which appropriation authorization has been sought under section 261. This amount does not include an amount covering the use charges to be waived in those projects; the waiver reflects a decrease in revenue to the Government from loan of material, not an expenditure of appropriated funds.

The earlier version of section 110 (then section 111) of the authorization bill authorized "to be appropriated * * * the sum of $129,915,000 for use in a program not to exceed $149,915,000." The difference between these two sums covered the value of the AEC waiver of use charges for AEC-furnished materials that is involved in these projects.

This memorandum explains the effect of omitting the "program not to exceed" language in present section 110.

In the first place, it is clear from the plain language of former section 111 that was stricken by the House ("There is hereby authorized to be appropriated * * * the sum of $129,915,000 for use in a program not to exceed $149,915,000") that the upper $149 million figure was a "total program" figure, and that the only sum actually authorized was the lower $129 million figure. As pointed out above, this did not cover the amount of use charges that would be waived.

However, no authorization for waiver of use charges was required. The AEC needs no special authority in the authorization bill in order to waive use charges in the cooperative program. The Atomic Energy Act itself provides all the authority needed. Thus, section 53c gives the Commission clear discretion to determine whether any charge should be made for the use of special nuclear material distributed to licensees for the conduct of research and development activities of the "types specified in section 31 of the act." These types specifically include activities relating to utilization of special nuclear material for "demonstration of the practical value of utilities or production facilities for industrial or commercial purposes." Nor is exercise of the authority to waive use charges dependent upon an authorization for appropriations, or upon the appropriation of funds. As indicated above, the waiver of a use charge is not an obligation to extend appropriated funds; it merely results in a decrease in revenue to the Government from the loan of Government-owned material.

The recent amendment to section 261 of the act did not affect the Commission's basic authority to waive use charges. With respect to Senator ANDERSON's statement that the legislative history of section 261a (2) indicates that these waivers must be authorized, the indications in the legislative history are in fact to the contrary:

1. The Joint Committee Report (S. Rept. No. 437) on the bill that amended section 261 (and added a new section 58 requiring AEC to submit proposed price schedules and criteria for use charge waiver to JCAE in advance) states (p. 7) that the Joint Committee had decided not to attempt to rewrite substantive provisions of the act, such as those relating to no subsidy (section 169), waiver of use charges (sec. 53), and establishment of prices (sec. 56), but proposed instead to provide for appropriate review and authorization by the Joint Committee and Congress of atomic power projects and review of schedules and prices of criteria of waiver of use charges before they become effective. In this manner, the Joint Committee said it was intended to provide the AEC the needed amount of flexibility and yet provide substantial review authorization by the Congress. In other words, the Joint Committee clearly intended to leave the basic authority to waive use charges intact, relying instead on the requirement that schedules of prices and criteria of waiver of use charges be submitted to the Joint Committee in advance, as the more appropriate control.

2. Further, with respect to the Joint Committee's intent as to then section 111 of the authorization bill, the Senate report states that "it is contemplated that the Commission will request each year authorization of a certain amount of funds as a lump sum for use in a program not to exceed another lump sum, larger in amount. The first amount would cover appropriations to be authorized while the second amount would provide a total limitation on the payments and other consideration which could be made available under the program. The difference would cover, for example, amounts involved by the waiving of use charges for special nuclear materials during the early years of reactor operation."

In other words the lower amount ($129,915,000) specified in the authorization bill as reported out was intended to be the appropriation to be authorized while the larger amount ($149,915,000) provided a total limitation on payments and other consideration that could be made available under the program. The difference between the two covered the amount of use charges to be waived; and the establishment of the higher amount was intended to set a ceiling on the amount of use charges that could be waived. It was clearly not the intent to require a special legislative authorization for the waiver.

With respect to a possible statement that the AEC has requested authorization to waive use charges, the Commission, as required by section 261a (2), has specified the amount of use charge to be waived in each cooperative project for which funds have been sought, and the Commission has not objected to the imposition of the $149 million limitation which also had the effect of limiting the total amount of the waiver. The Commission has never claimed, however, that it needs authority to waive.

In conclusion:

1. The AEC has all the authority necessary, under its basic statute, to waive use charges as contemplated in the cooperative program presented to Congress.

2. AEC needs no authorization for appropriations for the purpose of waiving such charges, since the waiver does not obligate the expenditure of funds, but merely results in a decrease in revenue to the Government.

3. AEC's authority would not be repealed or modified by the authorization bill as it passed the House. The only effect of deletion of the upper figure from section 111 (now 110) of the bill was to remove the total limitation on AEC assistance in the cooperative program. This in turn has the effect of removing the ceiling on the total amount of use charge that can be waived. The particular result removes the ceiling which the bill, before amendment, had included.

Neither the plain language of the authorization bill as passed by the House, nor the legislative history of the bill or of the recent section 261 amendment, supports a conclusion that the bill would deprive the Commission of authority to waive use charges in the cooperative program.

Mr. ANDERSON. Mr. President, in order that there may be in the RECORD a presentation of both sides of the matter, I ask unanimous consent that a statement of mine on the same subject be printed at this point in the RECORD, following the printing of the statement of the Senator from Iowa, so that a somewhat complete presentation of the matter will appear in the RECORD.

I do not say that I am right and that the Senator from Iowa is wrong; but I say that my statement deals with the majority of the committee's understanding of the matter.

So I ask unanimous consent that my statement be printed at this point in the RECORD.

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

STATEMENT BY SENATOR ANDERSON ON AUTHORIZATION REQUIREMENT FOR WAIVER OF USE CHARGES IN SECTION 111 (A) OF S. 2674

Last Saturday I called attention to a problem concerning the AEC authorization bill which was amended and passed by the House on Friday, August 9.

The last amendment to the bill, H. R. 8996, provided as follows:

"SEC. 111. Cooperative power reactor demonstration program: (a) There is hereby authorized to be appropriated to the Atomic Energy Commission, in accordance with the provisions of section 261 a. (2) of the Atomic Energy Act of 1954, as amended, the sum of $132,621,000: *Provided, however,* That not more than $1,500,000 is authorized for the power reactor development company project during fiscal year 1958."

This amendment superseded all of section 111 (a), and in particular the underlined portion which authorized a program of $149,915,000 in addition to authorizing funds of $129,915,000, as follows:

"SEC. 111. Cooperative power reactor demonstration program: (a) There is hereby authorized to be appropriated to the Atomic Energy Commission, in accordance with the provisions of section 261 a. (2) of the Atomic Energy Act of 1954, as amended, the sum of $129,915,000 for use in a program not to exceed $149,915,000, subject to the following conditions."

The Joint Committee report (S. Rept. 791) made clear that the difference between the total authorized program of $149 million and the total funds authorized was $20 million for waiver of use charges on uranium fuel. Thus page 6 of Senate Report 791 states as follows:

"This bill provides for authorization for the AEC cooperative programs for civilian atomic power development in the amount of a total of $129,915,000 in funds, and an estimated $149,915,000 for the total program, including waiver of use charges for private projects."

Now there is no discussion by the proponents of this amendment in the debate as to its meaning in regard to the deletion of this program total. The amendment was literally "sprung" on the majority of the Joint Committee during the debate, since it had never been offered in committee.

I wish to repeat that the effect of any amendment in this respect is to delete the authorization of the waiver of use charges in the program.

I participated in the Subcommittee on Legislation's consideration of the amendment to section 261, and particularly 261a (2). I believe the subcommittee and the

Joint Committee intended that 261a (2) would require authorization of waiver of use charges as well as funds.

This intent is borne out by the committee reports and hearings on the amendment to section 261, and the authorization hearings and reports themselves. The floor debates did not shed any light on the matter.

In Senate Report No. 791 on the AEC authorization bill, S. 2674, in addition to the language quoted above, the following statement is made at page 33:

"Section 111 is a new section to this year's authorization bill and is in accordance with increased scope of review which the Joint Committee on Atomic Energy is required to make of the AEC civilian-power-reactor program, in accordance with provisions of section 261 (a) (2), as amended by Public Law 8579, 84th Congress, 2d session, approved by the President on July 3, 1957.

"The background of this increased scope of Joint Committee review, and the subsequent inclusion of section 111 in this bill, is explained in the recently published Joint Committee hearings entitled "Congressional Review of Atomic Power Program," and in Senate Report No. 437 and House Report No. 571, identical bills which were enacted as Public Law 8679.

"The difference between the funds authorized, $129,915,000, and the program total not to exceed $149,915,000, represents types of assistance other than funds which may be provided by the Commission under this program, including waiver of charges for the use of materials furnished by the Commission.

"A breakdown of the sums of $129,915,000 and $149,915,000 is set forth in appendix I."

It will be noted that the scope of this provision is referred back to the amendment to section 261 as contained in House Report No. 571 which accompanied H. R. 7992. This bill, H. R. 7992, became Public Law 8579 as approved by the President on July 3, 1957.

Section 261 (a) (2) provides as follows:

"SEC. 261 (a). There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this act, except

"(2) Such as may be necessary to carry out cooperative programs with persons for the development and construction of reactors for the demonstration of their use, in whole or in part, in the production of electric power or process heat, or for propulsion, or solely or principally for the commercial provision of byproduct material, irradiation, or other special services, for civilian use, by arrangements (including contracts, agreements, and loans) or amendments thereto, providing for the payment of funds, the rendering of services and the undertaking of research and development without full reimbursement, the waiver of charges accompanying such arrangement, or the provision by the Commission of any other financial assistance pursuant to such arrangement, or which involve the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction or expansion undertakings by the Commission as a part of such arrangements."

At page 8 of House Report No. 871 the requirement of 261 (a) (2) was considered for implementation as follows:

"Proposed new section to authorization bill: In order to implement the provisions of section 261 (a) (2) as amended by this bill, the Joint Committee also considered the language of a proposed new section to be added to the current fiscal year 1958 authorization bills now pending before the Joint Committee (H. R. 5889 and S. 1572, 85th Cong., 1st sess.). Therefore in the meetings and hearings described earlier in this report, consideration was also given to the necessary implementing language, and the following new section was formulated and approved in substance by the members of the Joint Committee, and will be part of the authorization bill:

"SEC. 111. (a) There is hereby authorized to be appropriated to the Atomic Energy Commission, in accordance with the provisions of section 261 (a) (2) of the Atomic Energy Act of 1954, as amended, the sum of $——— for use in a program not to exceed $———."

It will be noted that this language is identical to H. R. 8996 as reported out by the Joint Committee, and that it is referred to "as necessary implementing language."

This interpretation is amply supported by the hearings on H. R. 7992 entitled "Congressional Review of Atomic Power Program" dated May 23 and June 10, 1957. It will be noted on page 5 of the hearings that this language was submitted by the Commission to reflect what they understood to be the committee's intent. The language was repeated by the committee at page 34. The amounts for authorization are set forth at page 68.

Similarly the hearings on the AEC authorization bill itself support the interpretation that authorization of waiver of use charges was intended. Thus on page 133 the funds and program amounts are discussed in the same context of authorization. The amounts are summarized at page 154. The figures are revised in a letter from AEC dated July 5, 1957 at page 653 of the hearings on authorizing legislation.

It should be noted that throughout the hearings the use of the words "authorization", "amounts", and "limitation" are used somewhat interchangeably. Thus it is not correct to say that the bill provides for an authorization of funds, and a limitation on total program. It authorizes both, but for convenience the program total in some contexts was referred to as a limitation.

Examples of the interchangeability of the terms may be found in both hearings. Thus, at pages 70 and 71 of the hearings on the amendment to section 261, the following is stated:

"Mr. FIELDS. As I look at section 111a of the proposed authorization bill I see that there is authorized to be appropriated a specified number of dollars for use in a program not to exceed a specified higher amount. It is my understanding that the first figure covers appropriations to be authorized, while the second amount would provide a total limitation on the payments and other consideration which can be made available under the program. The difference, as I understand it, between the appropriations authorized and the program total is represented, for example, by the estimated amounts involved by virtue of the waiving of use charges for special nuclear materials during the early years of reactor operation. The waiving of such charges represents a forgoing of the revenue which might otherwise accrue to the Government if the usual charge for the loan of such materials were made, but since these materials will have been previously produced, no new appropriations for such production will be needed at the time of furnishing the materials to these companies.

"Another case in point is where we might loan equipment as part of the cooperative arrangement. In such a case a use charge would be applied to the total program limitation, but this would not be considered as a charge to the appropriations authorized. There may be many variations of these arrangements, but, as we understand the operation of the two amounts proposed to be authorized in section 111 (a), only the direct costs of all arrangements will be charged to the appropriations authorized while those costs, plus all other costs, will be charged to the program limitation."

Similarly in the Commission's final letter of submittal of July 5, 1957, on the authorization bill, the following statement is made:

"The language in the proposed authorization bill includes an amount for the total program including waiver of use charges. In lieu of the total program amount, we believe that language should be used that will authorize waiver of use charges without a specific limitation, since the value of these charges to be waived could vary considerably from the estimates due to changes in core design. One method of accomplishing this would be to include the following language after the amount of appropriations authorized: 'for use in a program which, in addition to the appropriations authorized herein, includes waiver of use charges currently estimated at $23 million.' If this proposal is adopted, it would appear that the following words should be added to section 111: 'or that the estimated value of waiver of use charges deviates from the estimated amount previously submitted to the Joint Committee.' "

It will be noted that AEC requested an authorization for its waiver of use charges in the above letter, and wanted the terms of the authorization relaxed somewhat.

SUPPLEMENTAL STATEMENT ON WHETHER SECTION 261 (A) (2) WAS INTENDED TO REQUIRE AUTHORIZATION OF WAIVER OF USE CHARGES

It may be argued that it was not intended to require authorization of waiver of use charges because the requirements for continuing waiver of use charges are solely a part of the Commission's regulatory powers under section 53 of the Atomic Energy Act of 1954.

If the AEC's right to waive fuel use charges derives independently from section 53 as a part of its regulatory powers, why did AEC go to such lengths to grant specifically this waiver by contract with private utilities.

Thus in the PRDC contract the Commission purports to waive its use charges in the following contractual language:

"Article II. Undertakings of the parties

"SUBSEC. 2. C. The Commission will and hereby does waive its use charge for special nuclear material used in connection with the project for the period commencing with the effective date of this contract and ending 5 years after the issuance of a facility license to operate the reactor plant.

"ARTICLE V. TERMINATION

"SUBSECTION 1. A. The Commission may at any time terminate this contract for its convenience by written notice to the company. Any such termination shall be effective in the manner and upon the date specified in said notice, except that no such termination shall be applicable to the undertaking of the Commission set forth in article II, subsection 2. C., which undertaking is deemed to be an independent covenant of the Commission and shall survive any such termination of this contract by the Commission."

It will be noted from the above contractual language that AEC not only purports to grant the waiver by contract but makes the contractual obligation an independent covenant which will survive the AEC's termination rights. (A contractual waiver of use charges is also contained in the Yankee contract in article I, subsection 2. C. But it apparently does not survive termination of the contract.)

In the two GAO reports on the PRDC and Yankee contracts the GAO pointed out that the Commission did not follow its established criteria and rules in providing for the waiver of use charges in the PRDC and Yankee contracts. The only way therefore that such provisions could be considered to be legal is that they were, as the contracts purport to do, established by contract rather than regulation.

From the above discussion it should be clear that if the establishment or continuation of waiver of use charges is a matter of contractual authority of the AEC, then it is clearly intended to be a proper subject matter for authorization under section 261 (a) (2). (This does not mean that certain aspects of regulatory activities having financial implications would not also be subject to authorization.)

The legislative history of section 261 (a) (2) clearly shows that it was intended that all types of financial assistance in connection with cooperative arrangements, including "the waiver of charges accompanying such arrangements" as set forth in section 261 (a) (2) was intended to be authorized.

It was made clear in the legislative history that certain overhead charges would not be specifically included in the authorization but waiver of use charges was specifically intended to be covered.

The reference in the committee's report at page 7 to section 53 c related to across-the-board of waiver of use charges, such as would apply to privately financed reactor projects like Commonwealth Edison and not to projects involving Government financial assistance which under section 261 (a) (2) would have waiver of use charges accompanying such arrangements.

I should like to make one more comment about this question of eliminating the authorization of the program total.

I am not a lawyer, but I am a businessman. I have used legal counsel, and recognize that reasonable persons and lawyers can differ.

The field of Government contracting is a specialized one.

In view of the doubts raised as to the legality of waiver of fuel charges, I know I would hesitate to enter into a demonstration contract involving a waiver of fuel use charge unless that amount was included in a program authorization by the Congress.

Otherwise the contract would be subject to question by the GAO and possible litigation.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared in connection with the bill and the amendments.

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

STATEMENT BY SENATOR HICKENLOOPER

This bill, S. 2674, is a very important bill because it shapes the pattern of our entire future atomic-power industry.

That industry, which will some day be a great one, is just now beginning to develop. Private ownership of reactors has only been possible for 3 years, since Congress amended the Atomic Energy Act in 1954. Prior to that time the Federal Government necessarily had to build and own all atomic-power reactors itself.

Most of the provisions in this bill are noncontroversial. They provide the necessary authorization of funds for our entire atomic-energy program, both for military and peaceful uses.

However, there are certain provisions in this bill which I believe should be eliminated, and others which should be modified. At the appropriate time I shall offer four amendments to this bill. These amendments will be the same or similar to those which were considered by the House of Representatives when it debated this bill on Friday, August 9, 1957.

The House adopted 3 of these 4 amendments, and, as a result, enacted a much better authorization law, in my opinion, than that reported out by the Joint Committee.

What is wrong with this bill, as reported out by the Joint Committee, at the present time?

In my opinion, the entire approach to the problem of developing commercial atomic power was wrong. It was also wrong last year.

For 2 years now the committee has approached the problem only on the basis of finding ways to get the Federal Government into the atomic-power business and not on the basis of providing Government research and development assistance to help private industry to get started.

Atomic-power development is admittedly an expensive business, and the Government should continue to supply research and development assistance to industry. Until 3 years ago the atom was a Government monopoly, and private industry could not participate, and a large-scale atomic-power program can not be expected to blossom immediately. Nor does it need to, because we have ample coal supplies in comparison with other countries, such as Great Britain. However, we should keep a good research program going. As I shall explain later, we are doing so.

Our country will make much more progress in developing atomic power, and the taxpayer will get more for his money, if the Government is kept out of the atomic-power business.

It is not correct to say that this is the Commission's program. Three Federal reactor projects were added by the committee in section 101. Also, in section 111, the committee version and this bill, S. 2674, would convert the public-power group proposals from partnership arrangements to a Federal paternalism basis. Section 111 would put the Federal Government 100 percent in the atomic-power business. The committee bill, in section 111, would also hamstring private participation. This bill is not the program of the AEC. The AEC opposes the sections added by the committee, and the AEC supports the amendments which I shall introduce.

If the Senate approves these amendments, as the House did for the most part, we shall then have a much better authorization bill.

I oppose the provisions in the bill which I have referred to above because they extend Federal construction and influence in the field, and because they are designed to discourage private industry from vigorous development of atomic power.

I do not desire to enter into an argument with any of my good friends and distinguished colleagues on the joint committee. I desire to work with them to achieve a flourishing atomic eneregy industry. However, I believe that the bill favors public power groups by making things easier for such groups and discourages private groups by making things tougher for them.

I refer specifically to the analysis prepared by Congressman STERLING COLE, as printed in the CONGRESSIONAL RECORD of Wednesday, August 7, pages 13959–13960. This analysis by Mr. COLE states six specific ways in which H. R. 8996, the original House bill which is identical to S. 2674, favored public power and Federal ownership and hurt private ownership and industrial participation.

Some of my distinguished colleagues object to discussing this issue on the basis of private versus public power. However, the issue was written into the authorization bill while it was in the committee. I can understand that they would prefer to talk atomic energy rather than public power. However, I do not believe that it is possible to talk about apples while voting on lemons.

The issue, specifically, is this: Shall we revert to the days before the 1954 act when this was necessarily a Federal program? Shall we discourage private ownership of reactors which was permitted by the 1954 act and call for more Federal construction?

Those favoring more Federal construction of reactors claim that our Government must build more reactors in order to keep ahead of the Russians and the British.

Last year, when we were considering the Gore bill, similar arguments were made on this floor. It is now apparent that the Russian program has slipped badly. I refer all Members to an article printed in the July 1957 issue of the Atomic Industrial Forum. This article was inserted in the CONGRESSIONAL RECORD by the joint committee member Congressman VAN ZANDT, and indicates that the Russian program is slipping badly and that the Russian boasts of last year have been proven boasts and not facts. This article may be found in the CONGRESSIONAL RECORD of July 23, 1957.

The Russians recently, along with the United States and the United Kingdom and other nations, submitted a report on their atomic power program to the United Nations. This report clearly indicates that their progress is much less than promised a year ago.

Moreover, the British program is not going well either. The British have specialized in natural uranium, gas-cooled reactors, and there are indications that they are in trouble. They have now asked this country for substantial quantities of enriched uranium and have indicated that they are abandoning their natural uranium reactors in the future. They admittedly do not have the broad development program which we do.

Meanwhile, the United States program is going ahead well.

The Atomic Energy Commission is doing development work on 10 different concepts, as summarized in the Commission's statement printed as an appendix to the hearings on authorizing legislation, pages 641 to 654. In many instances, it can be shown that private industry is going ahead. Thus, the Shippingport project, which was financed by the Federal Government prior to the 1954 act, is being followed up by the Yankee atomic project, involving $40 million private participation, and by the Consolidated Edison project, costing over $50 million and completely privately financed. These will be followed by similar pressurized water-type reactors to be constructed by our industry for installation in Italy and in Belgium and possibly Japan if the Westinghouse Corp. completes negotiations with representatives of those countries.

Similarly, the initial research by the Government in the boiling-water reactor type is being followed up by industry. The Government built a pilot plant, the experimental boiling-water reactor (EDWR). Industry is responding splendidly. The General Electric Co. is building a reactor plant which advances the boiling-water design at Vallecitos, Calif., and the Commonwealth Edison Co., together with GE, is constructing a large-scale 180,000-kilowatt plant near Dresden, Ill.

Both of these projects are being carried out by private industry without Government funds.

Also the Northern States power group plans to build a boiling-water reactor under the third round of the Commission's program. I am pleased to say that several Iowa utility companies are participating in this project.

We are also making progress and receiving increasing industrial participation and private money in more advanced types: The fast-breeder type, where the Power Reactor Development Co. and associates are contributing over $50 million of their own funds; the homogeneous reactor, where the Pennsylvania Power & Light Co. is spending its own funds; the sodium-graphite type; the gas-cooled type; the organic-moderated type; the liquid-metal fuel type, and others. The complete program is described at pages 641 to 654 of the hearings.

I see no point in attempting to describe our progress on all reactor types, nor would I be able to do so, but the basic point is this.

No one reactor type—especially the British Calder Hall type (which is in trouble)—has been shown to be the best.

It would be a mistake to push large-scale power reactor construction by the Federal Government when we do not yet know which reactor type is best. When such a type or types are found, I feel sure that our private industry will move vigorously ahead.

We should continue our broad Government-sponsored research and development program on a number of different reactor concepts.

We should leave the building of power reactors to private industry and keep the Government out of the construction phase of it, at great savings to our taxpayers.

As a matter of sound national policy, industry should be encouraged to build reactors, and should be given certain types of assistance.

Also, as a matter of national policy, we should try to keep the Government out of commercial production of atomic power.

Therefore, at the appropriate time, I shall offer certain amendments to remove and to modify certain sections of this bill.

This authorization bill, if enacted into law, would, in effect, nullify the will and the mandate of the Congress as expressed in section 1 of the Atomic Energy Act of 1954 that the development of atomic energy shall be directed to strengthen free competition in private enterprise.

Let us not cripple a successful program and a rapidly expanding industry, which holds the promise of great good for all our people, by imposing politically motivated restraints upon its growth.

There is no reason to vote according to political party membership on this bill. The issue is not Democrats versus Republicans, but Federal ownership and construction versus private ownership and industry participation.

Also, it is possible to have voted for last year's Gore bill and yet oppose the reactor projects in this bill.

Last year's Gore bill provided for Federal construction of a number of reactors.

This bill contains many more objectionable features, since it attempts to specify particular types of reactors and, in the committee report, particular contractors, particular individuals, and particular contract arrangements.

Leading reactor experts, including Dr. Smyth, Dr. Zinn, and Dr. Weinberg, have all indicated that it would be a mistake—and a serious mistake—for the Congress to specify particular types of reactors for the AEC to build.

Let us not permit the spectre of public power to fasten itself upon this infant art and thereby frighten away the large volume of private capital which is flowing into it.

There are provisions in this authorization bill which, in my opinion, are clearly designed to discourage private initiative and to open the door to Federal control over nuclear power development.

Therefore, I urge that, during the course of the debate on this bill, you never for a moment lose sight of the key questions which are involved. Those questions are these:

Are we prepared to start turning the clock back—back to the Government monopoly over the atom that existed 3 years ago?

Are we to discourage private industry on the one hand and call for increased Federal construction and Federal Government ownership on the other hand?

These are the basic issues.

The development of atomic power hangs in the balance. I urge you to support the amendments which I shall offer to this bill at the appropriate time.

Mr. POTTER. Mr. President, I shall not take much of the time of the Senate, but I think it proper to point out what is involved in this instance. Our concern relates to the situation of the Power Reactor Development Co., a nonprofit Michigan corporation, which has been organized, and which has spent millions of dollars from its own funds, to construct facilities for the fast neutron breeder reactor. The members of the Joint Committee of course are much more familiar with the aspects of this type of reactor than I am. But the information I have is that the fast-breeder reactor is the type of reactor which, if perfected, has the best chance at the present time of being economically feasible for use for the generation of power.

This is a perfect example of the so-called partnership arrangement that is provided for in the basic Atomic Energy Act.

During the past year there have been controversy and litigation based upon the safety features of this type of reactor. Mr. President, the safety feature has nothing to do with the question before the Senate, because I can assure the Senate that at the present time the Power Reactor Development Co. is operating under a temporary construction permit. Before a license is granted, the Atomic Energy Commission will make sure that all safety features are covered; and the Senate can be certain that the company involved, which operates in the community in which the reactor will be located, will never construct the reactor unless the safety factors are guaranteed. However, the company would like to construct a reactor and at the same time carry on the research and development, so that once the time comes when the safety question has been resolved, then it will not have to wait to construct the reactor facilities. In that way, up to 7 years could be saved.

Mr. GORE. Mr. President, will the Senator from Michigan yield?

Mr. POTTER. I yield.

Mr. GORE. I hope the Senator from Michigan will permit me to agree with a portion of his statement, and then to express some disagreement with the latter part of his statement.

I agree with his statement that the fast-breeder reactor concept is one of the more promising.

The Senator from Michigan has said that the company has been issued a construction permit. I agree with that statement. Construction is under way now, I believe; is it not?

Mr. POTTER. That is correct.

Mr. GORE. What the company does not have is a license to operate.

Mr. POTTER. That is true.

Mr. GORE. I share fully the interest of the distinguished Senator from Michigan—with whom it was my pleasure to serve in another body—in the development of this concept and in the prosecution of research and development.

The position in which the Commission was placed, arose out of the refusal of the Advisory Committee on Reactor Safeguards to approve this concept from the standpoint of health and safety.

Mr. KNOWLAND. Mr. President, at this point will the Senator from Michigan yield to me?

Mr. POTTER. I yield.

Mr. KNOWLAND. Mr. President, a number of Senators have asked whether the yeas and nays would be ordered on the question of agreeing to the amendment. On the question of agreeing to the amendment of the Senator from Iowa, I should like to have the yeas and nays ordered; and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. KNOWLAND. Mr. President, I thank the Senator from Michigan for permitting the interruption.

Mr. POTTER. I have been glad to yield.

Mr. GORE. Mr. President, at this point will the Senator from Michigan yield further to me?

Mr. POTTER. I yield.

Mr. GORE. I shall be as brief as I can.

The difficulty in which the committee found itself arose from the refusal of the Committee on Reactor Safeguards to approve the fast-breeder reactor from the standpoint of health and safety on the basis of information now available.

Mr. POTTER. Of course, Mr. President, no one contends that the fast-breeder reactor would be safe at the present time; and I am sure that the Power Reactor Development Co. would not want to operate a reactor of this kind unless it was approved by the Safety Committee.

I have before me some statements from members of the Safety Committee who testified before the Joint Committee. They have cited the fact that the safety factor has not yet been proven. But they also cite the fact that before a license is granted, it will have to be approved by them, and the safety question will be resolved.

The point I am making is this: What is involved is the question of whether we shall allow a company to spend its own money on a gamble or a risk that something will be proven safe. If it is not proven safe, the only gamble will have been that of the Power Reactor Development Co., which then will lose its money. It will be the gamble of that company, rather than the gamble of the people of the United States, through the use of their own tax funds. That is the question which is involved in this case.

Mr. PASTORE. Mr. President, will the Senator from Michigan yield to me?

Mr. POTTER. I yield.

Mr. PASTORE. I agree with the sentiments expressed by the Senator from Michigan. But it is a fact that although the $1,500,000 could not be assigned directly to this contract, the law is written in such a way—and the question which arose at the hearings and the report itself indicate rather clearly—that this $1,500,000 can be spent for research in Government laboratories—which is all that the contract ever called for—and the research could be for the benefit of the contract of the Power Reactor

Development Co., even though it could not be assigned to the contract.

The reason for that, as I understand, is that the committee did not want to assume the responsibility of doing anything which might be construed as authorizing a contract in connection with which the reactor itself would be suspect because of some safety factor.

I think that position was prudent and was an exercise of good judgment. I do not think it harms in the least the Power Reactor Development Co.'s program, because that company is the only one which has submitted a proposal for a fast-breeder type of reactor. It is the only one which has the benefit of this type of research. For all practical purposes, I think the purpose is being carried out, because the amount allowed by the Bureau of the Budget was $1,500,000, and the amount asked for by the Commission was $4,206,000.

So I say to the distinguished Senator from Michigan that although the pending bill does not satisfy him and cannot satisfy him up to the last letter, yet, insofar as intent and practicality are concerned, all the money can be used in laboratories for research for the benefit of the Power Reactor Development Co., if it happens to be the only company engaged in that kind of research.

Mr. POTTER. I appreciate the comment of the distinguished Senator from Rhode Island, who is a very able member of the committee.

But what causes me concern is the language in the report, reading as follows:

> The committee does not approve the requested authorization for preconstruction research and development work and waiver of fuel use charges in connection with the reactor project of the Power Reactor Development Co.

All afternoon we have heard debate about how we, as a Nation, are lagging behind; how private industry has been dragging its heels, and will not work and cooperate with the Government.

Here we have an example of a perfect partnership arrangement with a private company. I hold in my hand a list of the supporting companies which make up the Power Reactor Development Co. I should like to read the list. It is as follows:

> Supporting utility companies: Central Hudson Gas & Electric Corp.; Cincinnati Gas & Electric Co.; the Columbus and Southern Ohio Electric Co.; Consumers Power Co.; Delaware Power & Light Co.; the Detroit Edison Co.; Iowa-Illinois Gas & Electric Co.; Long Island Lighting Co.; Philadelphia Electric Co.; Potomac Electric Power Co.; Rochester Gas & Electric Corp.; Southern Services, Inc.; Alabama Power Co.; Georgia Power Co.; Gulf Power Co.; Mississippi Power Co.; the Toledo Edison Co.; Wisconsin Electric Power Co.
>
> Supporting industrial companies: Allis-Chalmers Manufacturing Co.; the Babcock & Wilcox Co.; Burroughs Corp.; Combustion Engineering, Inc.; Fruehauf Trailer Co.; Holley Carburetor Co.; Westinghouse Electric Corp.

These are private utilities and private manufacturing and industrial companies which have put their company funds into a nonprofit organization to act according to what they thought was the intent of Congress in carrying out a partnership arrangement between industry and Government to develop a better use and a new use of atomic fuels for the generation of power.

At this time, neither the joint committee nor the Congress nor anyone else is involved with the question of safety, for the company is operating under a construction permit.

Of course, before they receive their license, the issue of safety has to be resolved. Assume that the issue of safety is not resolved, or that the question of safety is determined to the effect that this type of reactor is unsafe. Who is the loser? The private companies who are willing to gamble and risk their companies' money?

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

Mr. POTTER. I yield.

Mr. PASTORE. If the amount of $4,206,000 is authorized and it is found that the reactor is not safe, do we not lose $4,206,000?

Mr. POTTER. Yes, but in comparison to what a private company spends, the Government would lose a small ratio. What makes the Senator believe that the safety question can be resolved much faster if the Government does it rather than private industry?

Mr. PASTORE. That is not the question at all. The question is, Shall we authorize $4,206,000, in line with the provisions of the contract, which would be an authorization of the contract itself when the safety element is in dispute?

I go along with the Senator. I hope the safety feature is no more than a bogey. I hope PRDC will move on its way. The only reason the committee could not authorize the $4,206,000 was that it would be a confirmation of a contract which is under dispute in a very important particular. As prudent legislators we could not place ourselves in that very embarrassing and awkward position.

Mr. POTTER. We are discussing the amendment of the Senator from Iowa, which does not provide $4,206,000. It provides $1,500,000.

Mr. PASTORE. That is already in the agreement. I have already explained to the distinguished Senator from Michigan that all the money can be used for the benefit PRDC, and I challenge anyone to dispute that statement.

Mr. POTTER. As a result of the wording in the report, I wanted to make sure, in case the amendment of the Senator from Iowa failed, there would be sufficient legislative history so that the language of the report would not be prevailing, rather than the general language of the bill.

Rather than take more time of the Senate, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a statement I had prepared on the subject, some correspondence, and a news article.

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

THE IMPORTANCE OF FAST BREEDER REACTORS

Unlike any other reactor type presently proposed under the power demonstration reactor program, the fast breeder reactor which PRDC is building will produce more nuclear fuel than it consumes. This explains the unanimous agreement of the nuclear physicists who have testified on this subject at the PRDC hearings that this type of reactor is one of the most promising for the development of economic electric power. Moreover, the fact that the nuclear fuel produced is high-grade plutonium indicates the probable importance of the fast reactor to national security.

Dr. Hans A. Bethe, professor of physics at Cornell University and one of our most distinguished nuclear physicists, testified in the PRDC hearing before the Atomic Energy Commission (testimony, p. 9):

"It is clear that a breeder will be of the utmost importance for a large-scale atomic power economy. It is likely that in 30 to 50 years, a large fraction of our power will be derived from atomic energy. This will only be possible if the supply of atomic fuel is very great. Breeders seem to me indispensable for this purpose. Since power demands increase constantly and at a rapid rate, a very large supply of atomic fuel will be required.

"Indeed, one of the most compelling reasons for developing atomic power is to extend our fuel reserves."

The long-range advantages of the fast reactor have been recognized by the British, who are presently working hard to put into operation a large fast breeder reactor by 1958, and by the Russians, who are reported also to be building a fast reactor.

The PRDC reactor is the culminating step in the United States development of fast reactor technology which has been underway for over 10 years, much of the time under the leadership of one of our most outstanding nuclear physicists, Dr. Walter H. Zinn. Except for an experimental reactor to be built by the Commission in Idaho, it is the only fast breeder power reactor which has been proposed for construction in this country, and the only power reactor of any type which is actually under construction under the Commission's cooperative power demonstration reactor program. To deny funds to complete the final stages of this development may well give both the Russians and the British a substantial lead in the fast reactor field. As Dr. Norman Hilberry, an eminent physicist who is director of the Argonne National Laboratory, testified at the PRDC hearings (testimony, p. 50):

"It is my opinion that in the national interest it is important that a full-scale industrial fast breeder be built and tested at the earliest possible time."

THE PRDC REACTOR

Power Reactor Development Co. (PRDC) is a Michigan nonprofit membership corporation organized to study and demonstrate the economic and technical feasibility of generating electric power by a fast breeder reactor. It is now engaged in the design, development and construction of such a reactor at Lagoona Beach in Monroe County, Mich. This reactor will provide steam which will be used for the production of electricity in facilities owned by the Detroit Edison Co., the entire plant to be known as the Enrico Fermi Atomic Powerplant. Its rated capacity is to be 100,000 kilowatts of electricity.

The companies which have organized and are financing PRDC include some 17 operating public utility companies stretching from New York to Georgia and from Mississippi to Michigan, in addition to seven strong industrial companies.[1] These member companies have already unconditionally committed over $40 million of their own funds to this project.

In addition to PRDC, another nonprofit membership company called Atomic Power

[1] See details in enclosed excerpts from testimony of E. R. Acker in AEC hearing.

Development Associates, Inc., (APDA) has performed and is performing extensive research, design and development work on this reactor.

PRDC and APDA together have actually spent to date more than $10 million on research, development, design and construction of the proposed reactor plant. It is anticipated that they, together with the Detroit Edison Co., will expend more than $60 million of private funds on the Enrico Fermi Plant.[2] The only appropriation authorization requested for this project by the Atomic Energy Commission is for $4,206,000, to be expended entirely for research and development work in Commission facilities, of which only $1,500,000 is requested for fiscal 1958.

This important reactor is not merely on the drawing board. It has actually been under construction for just over a year, and work is progressing satisfactorily toward a scheduled completion date some time in 1960.

THE SAFETY ISSUE

The only reason given in the Committee Report for eliminating the authorization for the PRDC reactor was that the question of whether or not an adequate demonstration has been made that it can be safely operated is in litigation in the license proceeding now pending before the Commission. What the Committee Report apparently recommends is that the Congress should review questions pending for decision in a formal administrative proceeding, or should at least withhold appropriation authorizations for research and development until all such pending questions have been settled. What adoption of this principle would really mean is that any cooperative project under the Commission's power demonstration reactor program could be effectively destroyed by the mere filing by someone of an intervention in the formal licensing proceedings which must be held with respect to every project. The issues pending in these proceedings have no bearing upon the research and development authorization requested, and should not be used as an excuse for denying such authorizations.

Quite apart from this fundamental principle, however, consideration of the evidence produced in the pending PRDC license proceeding provides no conceivable reason for denying an appropriation authorization. A brief review of this proceeding will make this clear.

On June 6, 1956, the Advisory Committee on Reactor Safeguards issued a report and recommendation in connection with the PRDC project in which the Committee stated that although there was nothing to indicate that the reactor would be unsafe, there was not then sufficient information available to demonstrate that it could be safely operated at its proposed location. The report also recommended an extensive research program both in and outside of Commission facilities.[3] This program is now in the process of being carried out.

On August 4, 1956, the AEC granted PRDC a provisional construction permit, authorizing construction of the reactor but conditioning its operation on PRDC's ability to complete the necessary research and to make the requisite showing that the reactor could be safely operated before it was to be started up.

On August 30, 1956, Walter Reuther, the UAW and two other labor unions intervened and objected to the issuance of the construction permit. The Commission then set the matter down for formal hearing. These hearings have now been actively going on for the better part of a year. Because the continuance of the permit is thus in litigation before the Commission, PRDC is required to deal with all questions affecting safety only through the formal hearing procedure. Until these proceedings have been terminated and the Commission itself has rendered a formal decision on the evidence presented, PRDC is not permitted to request that the matter be reviewed further with the Reactor Safeguards Committee, nor is it permitted to deal directly with this Committee in any way. In other words, the pendency of the formal proceedings has completely cut PRDC off from the Reactor Safeguards Committee, and it is not legally possible to ask this Committee to review the PRDC project until these formal proceedings have been completed.

Several members of the Safeguards Committee were called in May and June 1957 to testify as individual witnesses in the present proceedings. Although each of these Committee members indicated that in his opinion there is not now sufficient information at hand to permit the PRDC reactor to be operated at power if it were ready today, each also indicated that he thought the research program was proceeding in the right direction and that the necessary information would be obtained by the time the construction is scheduled to be completed. No one has ever claimed that the continuation of the construction itself presents any question of public safety.[4]

The Chairman of the Safeguards Committee, C. Rogers McCullough, who is a chemical engineer rather than a nuclear physicist, stated that on technical nuclear questions he relied primarily on the nuclear physicist members of the Committee, and especially on Dr. Harvey Brooks and Dr. Mark Mills. Dr. McCullough himself said, however, that the PRDC experimental program "is going in the right direction to establish the necessary information * * * if this experimental program is carried out in sufficient detail I think it is very probable that the necessary information will be obtained" (transcript, p. 3007).

Dr. Harvey Brooks, a nuclear physicist who is dean of the Harvard School of Engineering and Applied Physics and a member of the ACRS,[5] was quite explicit:

"I believe that in all probability a fast breeder reactor of the PRDC design can be operated in a populous location such as the proposed Lagoona Beach site without undue hazard to the health and safety of the public" (testimony, p. 38).

He also said that he thought it probable that the research program would produce the necessary information to prove safety on the present PRDC construction schedule (transcript, pp. 3082, 3189).

Dr. Mark Mills, also a distinguished nuclear physicist who is a member of the Safeguards Committee and is associate director, Radiation Laboratories, University of California, similarly testified that although he believed that further work remained to be done, "in my opinion it will show, one, that we understand [fast reactors] and two, that the machine [PRDC reactor] is safe" (transcript, p. 3245).

Dr. Manson Benedict, another experienced nuclear physicist serving on the Reactor Safeguards Committee and professor of nuclear engineering at MIT, said with respect to the PRDC project:

"I think that there is a strong probability that it will be found that all stages can be carried out successfully without public hazard and that the end result will be a safe and successful reactor" (testimony, pp. 16–17).

A fourth member of the Reactor Safeguards Committee, Mr. D. A. Rogers, chief engineer of Allied Chemical Dye Co., testified that the project "is a safe commercial venture [and] the work and development necessary to carry it on [can] be satisfactorily carried out" (transcript, p. 2983).

The only other member of the Safeguards Committee who testified in May and June of 1957, Dr. Abel Wolman, a sanitary engineer and professor at Johns Hopkins University, similarly concluded that, although the extensive site information necessary to be had before the reactor is actually started up is not yet available, he thought that such information would not present problems which could not be engineered against. He also testified that if the nuclear physicists were satisfied that the reactor was sufficiently stable and safe "the proposed site would be satisfactory from the point of view of its accident potentiality" (testimony, p. 14).

In addition to members of the Safeguards Committee, other witnesses in the PRDC proceedings were explicit that the PRDC reactor will present no safety hazard when it is ready to start up. Thus Dr. Norman Hilberry, who is Director of Argonne National Laboratory and who has no relationship in any way to the PRDC project, stated:

"Finally, I am of the opinion that, on the basis of present knowledge and theoretical physics, a fast breeder reactor of the general type proposed by PRDC can be constructed in such a way that it will be safe for operation in a populated area. I am further of the opinion that, prior to the time the PRDC reactor is to be started up, additional information and operating experience with other reactors of the general type will provide adequate confirmation of this opinion" (testimony, p. 51).

Dr. Hans Bethe, professor of physics at Cornell University and one of this country's most distinguished nuclear experts, a consultant who had been advising PRDC for some time, also said:

"By the application of theoretical physics to what we now know, it is my opinion that a fast breeder reactor of the general type proposed by PRDC can be constructed and operated in a populated community without undue risk to the public, and that it can be demonstrated, when such reactor has been built, that its operation is safe" (testimony, p. 60).

THE REAL ISSUE

The question of whether or not the PRDC reactor can be safely operated is really premature at this stage. All that is involved is the actual construction of the reactor simultaneously with the continuation of an extensive experimental and research program designed to verify that it can be operated without risk to the public. Construction will not be completed for at least another 2½ years, and by this time a vast amount of additional experimental information will be in hand. All that is being risked by proceeding with the construction of this project is money, and it is not Government money but PRDC money. That even this risk is a good one is indicated by the unanimous opinion of the nuclear experts who have testified in the safety hearings that they believe the necessary verification of safety will be in hand before the reactor is scheduled to be completed.

Furthermore, the risk we are talking about—a risk of money, not lives—is the kind of risk that private industry should be encouraged to take, and commended, not vilified, for taking. By venturing its investment in the construction of this plant

[2] See details in schedules attached to statement of E. R. Acker, given to Subcommittee on Legislation of Joint Committee on Atomic Energy, June 25, 1957.

[3] Copy of Safeguards Committee report is contained in record of hearings before Subcommittee on Legislation of Joint Committee on Atomic Energy, April 10–June 27, 1957, p. 606.

[4] For a more detailed discussion of the evidence on the safety and other issues, see statement of Robert W. Hartwell, assistant general manager of PRDC, included in hearings before the Subcommittee on Legislation of the Joint Committee on Atomic Energy, April 10–June 27, 1957, pp. 633–639.

[5] Advisory Committee on Reactor Safeguards.

simultaneously with the conduct of an extensive research and experimental program designed to verify its safety, several years may be saved in placing this important type of reactor on the line for the generation of electric power. The opponents of this project complain that we are not moving fast enough in the application of nuclear energy to the generation of electric power, yet they seek to destroy the leading private enterprise project that is willing to risk its own money to further this very objective.

The appropriation authorization which the Atomic Energy Commission has requested is only for research and development work in connection with this project to be done in Commission facilities. This research work has not only general importance in the fast reactor field but will provide specific and definitive information with respect to the safety of this reactor. The opponents of this project apparently are complaining that the safety has not been demonstrated, but at the same time they are endeavoring to eliminate an authorization for Commission work which would provide important additional information on this very subject. This makes utterly no sense.

The sincerity and determination of PRDC to prove the safety of this reactor before it goes into operation has been demonstrated without question. The caliber and responsibility of the scientists such as Dr. Hans Bethe who are working on this question and are advising Power Reactor Development Co. are also of the highest order. Not only these scientists but the independent nuclear experts of the Reactor Safeguards Committee have testified without exception that they believe it probable that the safety of this reactor will be demonstrated before it is ready to operate. And finally, as General Fields himself made clear in the hearings,[6] the Commission itself and the full Reactor Safeguards Committee must pass on this question definitively before this or any other reactor is put into operation. Unless they determine at that time—more than 2 years from now—that its safety has been adequately demonstrated, it will never be permitted to operate. That alone should be enough to dispose of the question at this time.[7]

ANTICIPATED PLUTONIUM CREDITS

The proposed PRDC reactor, like every other power reactor, will produce plutonium in the course of its ordinary operation. This plutonium is valuable both for military and peaceful purposes. It is required by law to be sold only to the Government.

Until May 31, 1957 the Commission's schedule of guaranteed fair prices which it would pay to anyone for plutonium were contained in a classified schedule. In projecting its estimated operating expenses for a 10-year period from 1961 through 1970, PRDC relied upon this schedule for the period it had been promulgated—through June 30, 1962—and, in the absence of any better information, projected its financial operating statements for subsequent years on the assumption that such schedule would remain in effect for the rest of the operating period. At no time did PRDC have any contract, agreement or understanding with the Commission as to what such plutonium prices would be; it is and has always been just as much in the dark as all other prospective reactor operators about what credits will be given for plutonium beyond the period for which the Commission has published guaranteed prices, available to all. In the absence of any other information, PRDC merely assumed the continuation of the last known schedule of prices in order to show in a general way what its anticipated financial picture would be on the basis of such an assumption.

There was never any doubt about the nature of PRDC's projected operating financial schedules nor about the fact that its assumption of a continuation of the same plutonium prices was just that, and was not based on any contract, agreement or understanding with the Commission. Nevertheless, this resulted in a charge being made that PRDC had arranged with the Commission for a hidden subsidy of some $48 million, this being the figure for the total plutonium credits PRDC would receive over a 10-year operating period if the AEC's initial classified plutonium price schedule were kept in effect over that period.

On May 31, the AEC declassified its schedule of guaranteed fair prices for plutonium in effect through June 30, 1962, and promulgated an additional unclassified flat price of $30 per gram for plutonium for the period July 1, 1962 through June 30, 1963. On the basis of this new information PRDC revised its projected operating financial schedules to take into consideration this new plutonium price for the year 1962–63. Again, in the absence of any information as to what the plutonium price would in fact be after June 30, 1963, PRDC has projected its operating finances on the basis that the $30 price would continue. Such a projection is included as schedule 3 to Mr. Acker's testimony before the Subcommittee on Legislation. Mr. Acker made completely clear in his testimony before the Subcommittee (p. 448–49) that PRDC has no contract, agreement or understanding whatever with the AEC about these plutonium prices, and is "just as much at sea as anyone else" as to what these prices in fact will be after June 30, 1963.

PRDC, like every other reactor operator, does expect to receive credits for the plutonium which it produces and turns over to the Commission in accordance with the Commission's then effective published price schedules for such plutonium. It expects to be paid for its plutonium exactly what everyone else is paid for this material, and not one cent more. The argument which has been advanced that there is any conceivable "hidden subsidy" in what PRDC is to be paid for its plutonium is, to put it mildly, incorrect and misleading. Nevertheless, such charge was again made as recently as August 7 in a telegram sent by Walter Reuther to a number of members of the House of Representatives, in an effort to discredit the PRDC project which Mr. Reuther is opposing with every means at his command.[8]

PRDC CONTRACT

On March 26, 1957 PRDC and the Commission executed a formal contract under the Commission's power demonstration reactor program. This contract provides that PRDC will construct completely at its own expense and operate a fast-breeder reactor and will make available to the Commission all information obtained in connection with this project. The Commission in turn agrees to waive use charges on special nuclear material in accordance with its announced policy under the power demonstration reactor program for a period ending 5 years after issuance of an operating license, such waiver being estimated to be $3,702,600 (hearings, p. 653). The Commission also agrees, subject only to the availability of funds, to perform specified research and development work for PRDC in Commission facilities at a cost of not more than $4,450,000. The appropriation authorization requested is for the portion of this research and development work not heretofore performed, in a total amount of $4,206,000. Of this amount only $1,500,000 is requested for expenditure in fiscal 1956.

In the committee report and in the debates in the House a number of references were made to the desire of the majority of the Joint Committee not to validate this contract. No such issue is presented by the pending authorization bill. Although Walter Reuther and others have charged that the PRDC and other contracts under the power demonstration reactor program are illegal, such charges are patently without substance, and have been completely refuted by representatives of the Commission. Such charges should be given no weight in the consideration of an appropriation authorization bill. Except for the condition that the performance of the AEC's research work is subject to the availability of funds, the Commission's obligation to do this research work in its laboratories is firm and unconditional. PRDC has gone forward with the spending and commitment of millions of dollars in reliance upon this clear undertaking. No possible justification has been shown for repudiating this commitment.

CONCLUSION

The PRDC project is the only one under the Commission's cooperative program which is actually under construction. It is the only one for a fast-breeder reactor—a reactor that creates more fissionable fuel than it consumes. The continuation of the simultaneous construction and research and development program can present no conceivable question of public hazard. A repudiation of this project by Congress is inevitably a repudiation of the Commission's whole program of developing nuclear power by cooperation between Government and industry.

In conclusion, I should like to warn that the bill as it stands presents a serious danger. It is an open attempt to freeze private enterprise out of the peaceful development of the atom. Therefore, it violates the concept embodied in the law.

The Atomic Energy Act formulates the ground rules for peaceful development of a miraculous new source of energy. It states that the Federal Government and private industry are to share and share alike. If we pass a bill here which casts one of the partners in the role of a complete outsider, we are striking at the very heart of the law and violating its most basic premise.

In Michigan we now have underway two magnificent showpieces for the concept of Federal-private teamwork on the atom:

At Big Rapids, the Wolverine Electric Cooperative hopes to build a nuclear powerplant with financial aid from AEC.

At Monroe, Power Reactor Development Co. already has $40 million, put up by 21 companies, but looks to the Federal Government for research funds to help develop a new type of reactor, the "fast breeder."

Mr. President, this bill has deliberately altered in committee to give AEC full ownership and control of reactors built at cooperatives such as the one at Big Rapids. It has been deliberately altered to cut the heart from the Monroe project by withholding vital research funds.

The danger is obvious: Private industry will be frozen out of peaceful development of the atom. I oppose such a move as un-American.

Mr. President, this bill has all the earmarks of a well-planned scheme by public

[6] Hearings before Subcommittee on Legislation of Joint Committee on Atomic Energy on authorizing legislation, 1957, p. 240. See also statement of R. W. Hartwell, assistant general manager of PRDC, hearings, p. 633.

[7] See especially testimony of Ernest R. Acker, vice president of PRDC, before Subcommittee on Legislation of Joint Committee on Atomic Energy on authorizing legislation, June 26, 1957, pp. 450–451, and exchange between Mr. Acker and Representative HOLIFIELD.

[8] See enclosed letter of August 8, 1957, which PRDC forwarded to Members of the House of Representatives with respect to this telegram.

power disciples to place the Government in a monopoly position. They know that if they can keep private interests out of the research and development phases, they will eventually have utter, final, and total control of all sources of power in the United States.

Then, of course, it will be too late.

Before many years have passed, we shall reach a point when the basic ingredient for producing vast quantities of energy is a single handful of precious material. When we reach that point, the source of all power will belong to the Government alone—unless we make sure here and now that private industry shares in the research necessary to bring us to that point.

I hope the Government will not see fit to hog the peaceful atom, for if it does, that will be a sad day for this Nation. I hope that by the time this measure comes to a vote, my distinguished colleagues will have united to reinstate the partnership concept in the legislation.

Michigan's stake in atomic energy is greater than that of most States. Although she is water-circled, Michigan does not possess the type of hydro resources necessary to develop cheap waterpower.

Therefore, Michigan may very well find herself in the same position as New England, a region which has seen her vital industries sapped by the lure of cheap power elsewhere. It is vital to Michigan's economic life—I say vital—that every means of developing new sources of power—especially cheap atomic power—be pursued.

Michigan's giant industries drink great gulps of power. Her population is accustomed to a high standard of living built mainly on electric and electronic devices. Both of these important segments of Michigan's life look to the development of cheap nuclear energy to preserve and enhance their well-being. Indeed, atomic energy is needed for Michigan's economic protection.

While we are on the subject of public power, I should like to report that certain irresponsible individuals have charged that the PRDC development at Monroe is unsafe. I trust that in these remarks I have proven beyond a doubt that public safety is paramount and is receiving every human, scientific and conscientious attention by qualified personnel. The charge of unsafe is another weapon of those dedicated to complete Government control at Monroe. I should like to introduce in the RECORD the telegrams which have come to my office today from people in the vicinity of the proposed Monroe project. These should clear up the question of safety once and for all.

ANN ARBOR, MICH., *August 16, 1957.*

Hon. CHARLES POTTER,
Senate Office Building,
Washington, D. C.:

Urgently request you support Michigan atomic power legislation. Future of free enterprise system is at stake.

P. D. FRENCH.

LANSING, MICH., *August 16, 1957.*

Senator CHARLES POTTER,
Senate Office Building
Washington, D. C.:

No indication of concern for safety of atomic powerplant at Monroe, Mich., is indicated. Hope you see fit to support its completion.

ROLLO G. CONLIN,
State Representative, Lenawee Co.

ADRIAN, MICH., *August 16, 1957.*

Senator CHARLES S. POTTER,
Washington, D. C.

Proposed atomic plant near Monroe, Mich., should be completed.

ROY MCPHAIL.

DETROIT, MICH., *August 16, 1957.*

Senator CHARLES E. POTTER,
Senate Office Building,
Washington, D. C.:

We again urge your support for the Enrico Fermi atomic powerplant being built by the Power Reactor Development Co. at Lagoona Beach, Mich.

DEARBORN CHAMBER OF COMMERCE.

DETROIT, MICH., *August 16, 1957.*

Senator CHARLES POTTER,
Senate Office Building,
Washington, D. C.:

The engineers and scientists who are designing and building the Enrico Fermi atomic powerplant are very much concerned about information that many of your associates in our Senate are not planning to support the cooperative program with both Government and industry participating in atomic energy development. Since we are a part of the largest private enterprise organization in the world today trying to develop the power of atomic energy we ask for a voice in the Senate. We believe that your voice would be the most impartial from the State of Michigan. We all live here near our plant and we do not create a monster that will destroy our wives and children. Ask your Senate friends if they would endanger their families for any amount of money. They would not and it is the same with us. We represent both Democratic and Republican in our political views. We ask for a vote of confidence.

WORKING STAFF,
Enrico Fermi Project.

DETROIT, MICH., *August 16, 1957.*

Senator CHARLES POTTER,
Senate Office Building,
Washington, D. C.:

Will you please support and urge your colleagues to uphold the private power appropriations bill for a progressive face atomic energy program.

FRED SPEIER,
Past President, Detroit Union Board of Commerce, Dearborn, Mich.

NEWPORT, MICH., *August 16, 1957.*

Senator CHARLES POTTER,
Washington, D. C.:

We do want the atomic plant here in Newport, Mich. Please do all you can for this project. Our association numbers 153 members.

GEORGE STOLTZ,
President, North Dixie Businessmen's Association.

TRENTON, MICH., *August 16, 1957.*

Senator CHARLES POTTER,
Senate Office Building,
Washington, D. C.:

I favor support of the bill appropriating fund to continue research and support of the PRDC project at Lagoona Beach, Mich., by private enterprise.

Mayor ROBERT E. TEIFER,
City of Trenton.

WAYNE, MICH., *August 16, 1957.*

Senator CHARLES POTTER,
Senate Office Building,
Washington, D. C.:

Request your support of appropriation bill providing funds to continue research supporting PRDC project, Lagoona Beach, Mich., and to permit the completion of that plant by private enterprise.

E. L. MILLIS.

WAYNE, MICH., *August 16, 1957.*

Senator CHARLES POTTER,
Senate Office Building,
Washington, D. C.:

Wayne, Mich., Chamber of Commerce favors the development of the Lagoona Beach, Mich., project by private enterprise and request your favorable consideration of the appropriation bill providing funds for continued research in support of the PRDC project.

T. KUCKELMAN,
Executive Secretary.

TOLEDO, OHIO, *August 16, 1957.*

Senator CHARLES POTTER,
Senate Office Building,
Washington, D. C.:

The International Brotherhood of Electrical Workers, Local No. 8, affiliated with the Monroe County Building and Construction Trades Council, supports the continued construction of the Enrico Fermi atomic powerplant at Lagoona Beach, Monroe County, Mich.

BERT N. WILCOX,
Business Representative, Monroe Unit, Local No. 8.

TOLEDO, OHIO, *August 16, 1957.*

Senator CHARLES POTTER,
Senate Office Building,
Washington, D. C.:

I have been authorized by the Monroe County Building Trades Council and the Toledo Building Trades Council, consisting of 19 affiliated building craft unions, to ask you to support the continued construction of the Enrico Fermi atomic powerplant at Lagoona Beach, Monroe County, Mich.

BERT N. WILCOX,
President, Monroe County Building Trades Council.

TOLEDO, OHIO, *August 16, 1957.*

Senator CHARLES E. POTTER,
Senate Office Building,
Washington, D. C.:

I note that an important Senate vote will soon be taken; one that affects the economic future of the citizens of this city and county. The Monroe City Commission and Monroe County Board of Supervisors have indicated their position on the continued building of the atomic reactor plant near Monroe, Mich. Both the above local governmental groups have confidence in the ability of the PRDC and the AEC in assuring complete safety to our citizens before the plant would be put in operation.

From the information I have learned, there is no reason to change our mind. I urge a favorable vote on the matter. The vast majority of our citizens are also in favor.

MILTON J. H. KNABUSCH,
Mayor, City of Monroe; Chairman, Monroe County Board of Supervisors.

MONROE, MICH., *August 16, 1957.*

Hon. CHARLES POTTER,
Senate Office Building,
Washington, D. C.:

The 100 members of Monroe Junior Chamber of Commerce urgently request you support the PRDC appropriation.

MONROE JUNIOR CHAMBER OF COMMERCE.

MONROE, MICH., *August 15, 1957.*

Hon. CHARLES E. POTTER,
Senate Office Building,
Washington, D. C.:

Sincerely hope you will vote in favor of the AEC proposal for the research fund for PRDC.

RALPH H. GRAESSLEY,

TOLEDO, OHIO, *August 16, 1957.*

Senator CHARLES E. POTTER,
Senate Office Building,
Washington, D. C.:

The site for the Enrico Fermi Atomic Powerplant is in Frenchtown Township, Monroe County, Mich. The residents of this area have followed the proceedings in Washington relating to this project with considerable

interest, due to the fact that their opinions do not coincide in any way with those expressed by the opposition.

The Frenchtown Township board has previously expressed its complete confidence in the Power Reactor Development Co. as to its ability to insure absolue safety to the citizens of Frenchtown.

My opinion has not changed and it is my hope that nothing will happen in the Senate to delay further construction and ultimate operation.

CLAYTON E. MARSHALL,
Supervisor, Frenchtown Township, Monroe County, Mich.

TOLEDO, OHIO, *August 16, 1957.*
Senator CHARLES E. POTTER,
Senate Office Building,
Washington, D. C.:

We are aware that tomorrow you vote on reestablishing research funds for PRDC when the Atomic Energy authorization bill comes before the Senate. We members of the board of education of the Jefferson consolidated school district have followed the proceedings in Washington, relating to this project, with considerable interest. We firmly believe that the opinions expressed by those who are in opposition to this project definitely do not represent the majority. This board has previously expressed to Admiral Strauss and Representative HOLIFIELD its complete confidence in the PRDC as to its ability to insure absolute safety to the citizens of the school district. Our opinion has in no way changed and it is our hope that nothing will happen in the Senate to delay further construction of this plant and its ultimate operation. We urge a favorable vote on your part.

LELAND J. STYLES,
Secretary Jefferson Consolidated School Board, Frenchtown Township, Monroe County, Mich.

MONROE, MICH., *August 16, 1957.*
Hon. CHARLES E. POTTER,
Senate Office Building,
Washington, D. C.:

The officers and directors of the First National Bank of Monroe, Mich., urgently request that you do all in your power to secure Senate passage of $4,200,000 research fund for PRDC.

FIRST NATIONAL BANK OF MONROE.

ADRIAN, MICH., *August 16, 1957.*
Senator CHARLES POTTER,
Senate Office Building,
Washington, D. C.:

Adrian Chamber of Commerce vitally interested in atomic Lagoona plant in Monroe. We feel it is safe and beneficial to this area. We urge your cooperation on this matter.

JOHN A. O'BRIEN,
Executive Secretary, Adrian Chamber of Commerce.

MONROE, MICH., *August 16, 1957.*
Hon. CHARLES E. POTTER,
United States Senator,
Senate Office Building,
Washington, D. C.:

Respectfully urge your support of appropriation for atomic plant here. As an electrical contractor, I recognize unlimited possibilities of this area resulting from plant.

PIEDMONT ELECTRIC CO.,
JOHN A. PIEDMONT.

MONROE, MICH., *August 16, 1957.*
Senator CHARLES POTTER,
Senate Office Building,
Washington, D. C.:

The Gratton Construction Co. wants to go on record as being in favor of the Enrico Fermi atomic powerplant in Monroe, Mich.

JACK GRATTON.

WAYNE, MICH., *August 16, 1957.*
Senator CHARLES E. POTTER,
Senate Office Building,
Washington, D. C.:

I am heartily in favor of the appropriation bill continuing financial support to the Power Reactor Development Co. at Lagoona Beach, Mich., under free enterprise.

GEORGE W. MATTHEWS.
DETROIT, MICH.

MONROE, MICH., *August 16, 1957.*
Senator CHARLES E. POTTER,
Senate Office Building,
Washington, D. C.:

We want the atomic plant to continue at Monroe, Mich.

NIEDERMEIER OIL CO.,
JOE NIEDERMEIER.
NEWPORT, MICH.

DETROIT, MICH., *August 16, 1957.*
Senator CHARLES E POTTER,
Senate Office Building,
Washington, D. C.:

DEAR SENATOR: We urge you to vote in favor of the construction of the Enrico Fermi atomic powerplant at Monroe, Mich.

CHARLES J. ROGERS, INC.

ERIE, MICH., *August 16, 1957.*
Senator CHARLES E. POTTER,
Senate Office Building,
Washington, D. C.:

Feel that Lagoona Beach would be entirely safe and a great asset to the community.

HAROLD S. MCCLAIN,
Erie Township Supervisor.

NEWPORT, MICH., *August 16, 1957.*
Senator CHARLES E. POTTER,
Senate Office Building,
Washington, D. C.:

We, the Newport Telephone Co., Inc., a privately owned corporation, would like to have the atomic energy power plant at Lagoona Beach on Lake Erie in the vicinity of Newport stay here. We have too much time, labor, and money invested in this concern to have it moved elsewhere.

THE NEWPORT TELEPHONE CO., INC.,
NORMAN R. SMITH, *President.*
MARGARET COUSINO, *Vice President.*
KATIE M. SMITH,
Secretary and Treasurer.

DETROIT, MICH., *August 16, 1957.*
Senator CHARLES E. POTTER,
Washington, D. C.:

It is my understanding that a vote on the Monroe atomic energy project may come before the Senate today. This administration has as you know long favored this project. Our position remains unchanged. It is based on a firm conviction that the use of atomic power as provided for in the plans for this plant will be of great importance to the development of industry in southeastern Michigan and northern Ohio communities. I know how you stand on this project and trust that you may be able to convince your colleagues of the importance of this development in this area.

ALBERT E. COBO,
Mayor.

MONROE, MICH., *July 30, 1957.*
The Honorable CHARLES E. POTTER,
Capitol Building, Washington, D. C.

DEAR SENATOR POTTER: A week or so ago, in the Monroe Evening News, I read with a great deal of interest your comments and ideas in connection with the Enrico Fermi Atomic Power Plant, now under construction. I am pretty much of a bystander in this matter; however, I thought I would send along to you a résumé of the results of radio-broadcast interviews in connection with this subject, thinking that you as a representative in the Congress of the United States should know first-hand how the people of our area feel about this subject.

My associate, Roy Hines, and myself, members of the staff of radio station WMIC in Monroe, conducted a tape-recorded man-in-the-street radio program. The program ran for 15 minutes and was entitled "A Penny for Your Thoughts."

This program was conducted beginning last fall, 5 days a week, Monday through Friday. Since the Enrico Fermi atomic powerplant project was just getting under way, we thought the building of the plant would be of particular interest to the people of this locality. Hence, we decided to ask the people—ordinary, typical people, business and professional men and women, workers and homemakers—how they felt about the project. And those we interviewed, with only two exceptions out of a total of some 500 interviewed, were pleased and happy that the Fermi plant, by decision of the AEC, Detroit Edison and the other project associates, was to locate here.

As I have said, about 500 people were consulted. Sample answers which follow later are typical of the respondents' virtually unanimous approval. Here is how we proceeded:

After my opening of the program, and our station identification, I would explain that the program was being done on tape. Approaching the person to be interviewed, I would say "Welcome to the Penny for Your Thoughts program conducted by WMIC, 5 days a week, Monday through Friday." Then I would ask, "May I have your name, please? Where do you live? What is your line of work?" etc.

Then, the question was put to the person being interviewed. It went something like this: "Since the Enrico Fermi atomic powerplant is under construction and there seems to be some question in regards to its safety in our community, we would like to get your reaction for our radio audience on what you think." I repeat again that, with the exception of two individuals, all those interviewed over the more than 90 days—and we usually interviewed 4 or 5 on each program—all were in favor of the construction of the Fermi plant here in our community.

Here are the typical answers:

"Yes; we think it is a good thing for Monroe."

"It will put our town on the map."

"It will give employment to some of our people."

"We don't think the Government would permit the construction of this plant if it was a hazard."

"A great institution, such as the Detroit Edison Co., could not afford to be involved in anything of this kind if it did not prove safe."

"Our Government knows what it's doing."

"Yes; we do think it is a wonderful thing for Monroe County."

"Monroe County could surely use more things of this nature."

One woman said over the air in the interview that she lived right on top of the plant and she wasn't apprehensive as to its safety.

These were some of the answers we got in our interviews. As I said before in this letter, we selected the Enrico Fermi atomic powerplant subject because at the time of our interviews it was a hot issue. We conducted the interviews in more than 80 business establishments in the city of Monroe, interviewing the proprietors of the business establishments and other people who were in the business places at the time.

Sincerely yours,

DONALD J. WOLFE,
Account Executive and Radio Commentator, Radio Station WMIC.

[From the Wall Street Journal of January 8, 1957]

REACTOR RUCKUS: PUBLIC VERSUS PRIVATE POWER ROW UNDERLIES HEARINGS ON SAFETY OF AN ATOMIC PLANT

(By John A. Grimes)

WASHINGTON.—As the Atomic Energy Commission opens hearings today on a controversial type of atomic powerplant now under construction near Detroit, the participants will be talking about that plant's safety, or lack of it. But the real issue is whether the Federal Government or private business should have prime responsibility for developing electricity from the atom.

The advertised opponents of the Michigan plant are three labor unions led by Walter Reuther's United Automobile Workers. Mr. Reuther is among the more vocal advocates of a greater Government role in developing nuclear electricity. He also has the private sympathy of other individuals and groups who, although they have taken no sides in the public controversy, want to see Uncle Sam take over the top role in any industry-Government partnership for developing atomic power.

Just as Mr. Reuther has the moral support of these groups, the sympathy of those who favor private development of the atom will be behind the defenders in this case—a collection of private concerns called Power Reactor Development Co.

Partisans of both points of view agree that while private versus Government development of the atom is not the open issue, it's the end issue. "If the Government had been building this plant," says one administration official, "you wouldn't have heard a voice raised in protest."

And a top labor union official admits that, should the Michigan reactor be proved unsafe, other private companies might be hesitant about undertaking advanced types of reactors such as this one. That would leave a vacuum that the Government would be called on to fill. Indeed, voices in Congress and elsewhere already are clamoring for more rapid development of atomic electricity, by Government if private industry can't do the job.

TARGET FOR TODAY

It's not likely that the argument will be posed in such direct terms during the hearings. Rather, the unions regard the inquiry has a chance to show, as they believe, that AEC Chairman Lewis Strauss has followed a calculated plan of favoring private industry. Mr. Strauss' motive, as they see it, is to prove that private industry can carry on the job of developing economically competitive atomic power and to use this argument—as he has in the past—to help block any attempt by Congress to fasten on the AEC a Government program of atomic plant construction.

Mr. Strauss is the unions' immediate target because they see the Commission, under his direction, as a bar to the rapid development of atomic power. In their view, rapid development means more Government spending to push the quest for cheaper nuclear power at a faster pace. So long as Mr. Strauss is the head of the Commission, they think, development of the peaceful atom will not proceed at the proper speed.

One of the basic arguments used to bolster the view that Uncle Sam must lead the way in exploiting the atom is that private industry has neither the financial resources nor the daring to tackle the immensely expensive job. To this has been added a note of increased urgency: The Government must take over the job in view of the British program of atom powerplant building lest the United States, as the Government-must-do-it advocates believe, permanently lose the world lead in developing atomic energy.

Mr. Reuther and his colleagues disclaim any intent to run private industry out of the atom plant building business. They say it should be a Government-industry partnership. But they make no secret of their belief that the Government should be the senior partner.

In furtherance of that aim, the unions have made several moves to drag the AEC more directly into the controversy over the Michigan reactor. They have charged that the Commission acted illegally in granting PRDC a permit to build the plant before making a finding that there was reasonable assurance the plant would be a safe one to operate at the site.

They also have charged that Commission activities before the granting of the permit tended to influence the Commission to agree to the permit. And they are trying to make an issue of the secrecy stamp on documents relating to the PRDC reactor. There's no doubt they'll raise more questions about Mr. Strauss' conduct in the AEC-PRDC relationship and attempt to have the hearings broadened to cover them.

Even if all the issues raised by the unions are not allowed to enter the hearings, Congressional critics of the AEC and of Mr. Strauss can be counted on to elaborate on them later in hearings on Capitol Hill.

INHERENTLY UNSAFE?

For the record, the unions claim that the proposed reactor, a fast breeder, is inherently unsafe for building in the populated Detroit area. The fast breeder produces more atomic fuel than it consumes. It is a relatively untried type of reactor, but holds the possibility of a short cut to economically competitive nuclear electricity.

The unions charge that the building of the reactor will endanger the lives of their members through a possible explosion or other accident. They are asking, and have been refused once, that the construction permit be lifted and all building stopped until the company can show the reactor is safe enough to build at that spot.

Questions arose as to the safety of the proposed plant following a report to the AEC from an advisory group of scientists. This group claimed there was not enough information available at this time to show that the reactor would be safe to operate at the proposed site. Further, the advisory group said it didn't know whether the safety questions could be cleared up in time to meet PRDC's schedule of completed construction in 1960.

The unions contend that the AEC suppressed this report. However, word of its content leaked out after it had been described or shown to members of at least two Congressional committees. Later, in August, the AEC issued PRDC a conditional construction permit. This described certain areas of uncertainty as to the ultimate safety of the plant and told PRDC it must have them cleared up before it could get a license to load and run the plant. However, the Commission said it thought the company could clear up the safety questions.

FUEL FOR A FIGHT

The permit kicked off the squabble which brought the demand from the unions for a hearing. The Commission agreed, but limited the hearing mainly to the issues of safety and the financial qualifications of PRDC to build the plant. At that time, the Commission made public the advisory report, saying it thought the move would serve the public interest in this instance. But it denied the unions' demand that construction of the plant be halted, saying that since no atomic fuel was involved in construction there was no nuclear danger.

Thus begins an inquiry that will have repercussions extending beyond the fate of one plant and into the broader controversy between public and private power.

Mr. McNAMARA. Mr. President, for more than a year and a half, I have been keenly interested in the efforts of the Power Reactor Development Corp., to build a fast breeder reactor near Monroe, Mich.

As a Senator from the State of Michigan, it is my job to be interested in what happens in the State of Michigan—particularly when it involves the Federal Government.

Shortly after PRDC made its initial moves to build the reactor, I began to get suspicious of the motives of PRDC and the methods it was using.

As time went on, it became apparent that PRDC was receiving not only aid and comfort from the Atomic Energy Commission, but something approaching outright collusion—to steamroller through this project.

First and foremost in my mind was the vastly important question of the safety of the proposed reactor. Safety, of course, is important when one deals with atomic energy in any capacity. We cannot forget that the first uses of atomic energy on a large scale were to destroy, and it did destroy at Nagasaki and Hiroshima. Thus, the element of destruction is always with us as we seek to turn the mighty forces of atomic energy toward peaceful uses.

But why is safety of such paramount importance at the PRDC reactor? One has only to look at the map of Michigan, Mr. President. Lagoona Beach, the site of this reactor, is just outside Monroe, a city of well over 20,000 inhabitants. And Monroe, Mr. President, is only about 30 miles from Detroit, a city with over 2 million inhabitants, and surrounded by populous suburbs.

In other words, within a 40-mile radius of Lagoona Beach live nearly 3 million persons.

That is why safety is so important.

Up to now, the AEC has appeared to run roughshod over the safety question. And there were many questions to be answered. Were these questions raised solely by laymen, who know little or nothing about the complexities and technicalities of atomic reactors? No. They were raised by the AEC's own advisory Committee on Reactor Safeguards. And its questions to date have never been answered.

Let me sketch briefly the history of the PRDC reactor. On January 7, 1956, PRDC applied to the AEC for a permit to build its fast-breeder reactor. Only one such reactor had been operated heretofore. That was the experimental breeder reactor built in Idaho.

It was shut down in November 1955 as the result of an accident—the cause of which has never been determined.

The Idaho reactor was a 1,000-kilowatt reactor. The proposed PRDC reactor would be a 100,000-kilowatt reactor. The Advisory Committee on Reactor Safeguards carefully studied the PRDC reactor. On June 6, 1956, it unanimously came to the following conclusions:

1. Even though there are no facts or calculations available to the committee that clearly indicate that the proposed reactor

is not safe for this size, the committee believes there is insufficient information available at this time to give assurance that the PRDC reactor can be operated at this site without public hazard.

2. It appears doubtful that sufficient experimental information will be available in time to give assurance of safe operation of this reactor unless the fast reactor program of the AEC is amplified and accelerated as detailed below.

3. It is impossible to say whether or not an accelerated program would give sufficient information to permit safe operation of this reactor at the Lagoona Beach site on the time schedule presently proposed.

These conclusions were not publicized at the time—although they presumably were leaked to the Detroit Edison Co.—prime mover of PRDC.

The report, so far as the public was concerned, was hidden under an "administratively confidential" label hung on it by AEC Chairman Strauss.

Not until October 9, 1956, thanks to the efforts of the Senator from New Mexico [Mr. ANDERSON] was this phony label removed, and Strauss admitted the label was a "mistake."

Meanwhile, in June 1956, Chairman Strauss accepted a PRDC invitation to attend the ground-breaking ceremonies at Lagoona Beach on August 8.

At the time of the acceptance, however, the AEC had not yet even issued a construction permit to PRDC.

This was remedied on August 4—only 4 days before the ground breaking—when the AEC issued a conditional construction permit.

That same August, the officials of PRDC apparently took note of the coming general election.

They sought to raise a political issue in what appeared to me to be a deliberate effort to hide the many questions about the project.

I ask unanimous consent to have printed in the RECORD at this point in my remarks a copy of a letter I wrote to Mr. Walker Cisler, president of the Detroit Edison Co., on September 12, 1956.

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

SEPTEMBER 12, 1956.

Mr. WALKER L. CISLER,
President, Detroit Edison Co.,
Detroit, Mich.

DEAR MR. CISLER: I have your letter of August 31 concerning, in your words, the "growing political involvement" of your atomic reactor in Monroe, Mich.

Frankly, I was amazed at your letter. Your final paragraph states:

"We feel sure you will agree with us that the Nation's vital atomic-energy-development programs should not become involved in politics, but should proceed on a sound and orderly basis."

Yet, with your letter, you included copies of numerous press clippings from Michigan newspapers detailing how you, yourself, had deliberately raised the specter of politics. These articles stress heavily your forecast that atomic energy will be a major campaign issue this fall. You are quoted as saying this is solely an issue of public versus private power, going so far as to accuse questioners of your scheme of "subterfuge." I would ask that, if you are so interested in keeping the subject out of politics, why you made such a deliberate effort to inject politics into the matter?

I think I know the answer. I can only conclude that your strategy is to block off any legitimate questions about the Power Reactor Development Company's reactor at Monroe with a smokescreen of fictional partisan politics. You are attempting to condition the public's mind against these legitimate questions.

Let me make my own position clear at the outset. I reject the myth you have concocted that this is solely a fight between public and private power interests.

I would be more than happy if this work in the peacetime uses of atomic energy could be carried out by private enterprise. I also, under normal conditions, would be extremely happy that this work was to be done in Michigan, with Michigan companies playing a leading role.

What I object to, however, is the sanctimonious approach you are making to the public. You attempt to put across the notion that this work can be done by private enterprise without a dollar of the taxpayers' money being involved; you underplay the safety question, and you charge that any interference or questioning of your scheme is "politics."

And there are many such legitimate questions, Mr. Cisler. First and foremost, as far as the public is concerned, is the question of safety of the proposed reactor.

Under date of June 6, 1956, the Advisory Committee on Reactor Safeguards, an advisory group to the Atomic Energy Commission, made these statements in regard to the PRDC reactor:

"1. Even though there are no facts or calculations available to the committee that clearly indicate that the proposed reactor is not safe for this site, the committee believes there is insufficient information available at this time to give assurance that the PRDC reactor can be operated at this site without public hazard.

"2. It appears doubtful that sufficient information will be available in time to give assurance of safe operation of this reactor unless the present fast reactor program of the AEC is amplified and accelerated as detailed below.

"3. It is impossible to say whether or not an accelerated program would give sufficient information to permit safe operation of this reactor at the Lagoona Beach site on the time schedule presently proposed."

The report goes on to give technical reasons for these conclusions.

One of its main points is that a test reactor be built as a "genuine prototype of the PRDC reactor."

Incidentally, those whom you accuse of "subterfuge" and "politics" are actually only interested in the Government's speedily building such prototypes in remote areas prior to the application of such ideas in a PRDC-type reactor.

As far as I know, this report has never been made public officially. Nor has it been recanted. Yet, the Atomic Energy Committee has granted PRDC a "conditional" construction permit at Lagoona Beach. This reactor, once it became operative, would be in use in an area where nearly 3 million persons reside within a 40-mile radius of the site.

Much emphasis has been placed by the PRDC and the Detroit Edison Co. on a report issued July 19, 1956, by a Michigan Atomic Energy Study Committee set up to "investigate" the conclusions of the Advisory Committee on Reactor Safeguards. The study committee's report would seem to dispel any questions of safety.

While I have the utmost respect for the integrity of those who served on this study committee, I am inclined at this time to accept the judgment of the scientists and other trained atomic experts on the Advisory Committee on Atomic Safeguards. Also, a close reading of the study committee's report suggests to me that the study committee received its information from PRDC and the Detroit Edison Co. If so, this can hardly be construed as an objective report.

It is entirely possible that the Advisory Committee, in the near future, may revise its safety report and modify its objections in the light of further information. I would be delighted if this should happen.

There is now pending before the Atomic Energy Commission a petition for a public hearing on the construction permit granted PRDC. The permit was issued by the AEC without such a hearing and was a result of star chamber proceedings, in the words of Senator CLINTON ANDERSON, chairman of the Joint Committee on Atomic Energy. I would like to associate myself with the request for a full and public hearing.

The Atomic Energy Act of 1954 very specifically states that questions of safety must be fully answered before even a construction permit can be issued. In view of the fact that the report of the Advisory Committee on Reactor Safeguards has not been answered, I believe that the matter should be opened to a full public hearing.

The Lagoona Beach reactor, as designed by PRDC, may very well be completely safe. I certainly hope so. Following the safety report of the Advisory Committee on Reactor Safeguards, you have made many statements on the subject of the reactor's safety. (At the same time, however, one of the conditions stipulated by PRDC is that the Government furnish indemnity insurance as high as $500 million.)

As I said, I certainly hope the proposed reactor will be completely safe in every respect. But certain items cannot be overlooked. For example, a smaller version of the fast breeder reactor the PRDC intends to construct, was built by the United States Government at Arco, Idaho. This site was deliberately chosen because of its remoteness from urban concentrations. This reactor ran away and was contaminated for 6 months by dangerous radioactivity. This reactor is known as Experimental Breeder Reactor-I. The Government is now in the process of designing "EBR-II" also in Arco, Idaho. It is estimated that EBR-II will not be in operation until 1960.

The proposed PRDC reactor near Monroe is actually EBR-III. According to your own timetable, it cannot possibly be completed in time to gain any advantage from information obtained from EBR-II. Thus, in effect, you are experimenting in this greatly unknown field of atomic energy with EBR-III in a densely populated area.

The discussion of safety is no idle talk, and life and death certainly is not politics as you would have the people of Michigan believe. Here is what the Government's Panel on the Impact of the Peaceful Uses of Atomic Energy said in a report just last January:

"A nuclear reactor's getting out of control may, under special conditions, cause widespread injury to people and loss of use of property because of radioactive contamination. These events should not occur if designed and operating standards are properly established and effectively enforced. Yet, men make mistakes and accidents happen."

Later on, this same report states:

"No 100-percent safe power reactor has as yet been conceived; 99.99 percent safe may not be enough. While every precaution has been taken in reactor and component design, to assure saftey, manmade controls and devices are involved. Unforeseen malfunctions may occur, leading to reactor or plant destruction."

Now, let me turn to other aspects of the Power Reactor Development Co. proposal. In the slick brochures published by the Detroit Edison Co. and the Power Reactor Development Co., and in public statements, you and your associates speak extensively of the altruistic motives of the Power Reactor De-

velopment Co. member companies. These statements emphasize the nonprofit character of Power Reactor Development Co.; that member companies will be risking $50 million or so to further the peacetime use of atomic energy, the glories of private enterprise, etc.

I suspect, however, that you have not been fully as free in acquainting the public with the extensive list of conditions laid down by Power Reactor Development Co., before it intends to operate the reactor. According to your own testimony before various Congressional committees, these are the conditions that must be met:

1. "That neither the licensee corporation nor any member thereof or contributor thereto will become subject to the Public Utility Holding Company Act by reason of participation in this project."

An amendment to the Public Utility Holding Company Act to free Power Reactor Development Co. member companies from the act was introduced in the 84th Congress by Senators POTTER and PASTORE. You stated, during the hearings on this bill:

"The member companies will not participate in this research and development work if they will become subject to the jurisdiction of the Securities and Exchange Commission as a result of such participation."

The effect of freeing yourselves from the Public Utility Holding Company Act by law, should you be successful, is incalculable. This act was written in 1935 to protect the American consumer from the financial manipulations and monopoly of utility holding companies. Your proposal could seriously weaken, if not destroy, the intent of the act.

Instead of making application for exemption directly to the Securities and Exchange Commission, Power Reactor Development Co. went directly to Congress through the Potter-Pastore bill.

In testimony last June before a Congressional committee, Ray Garrett, director of the SEC's Division of Corporate Regulation, made this statement in regard to the company's motives for seeking Congressional exemption:

"They are afraid of the possibility, which is certainly a legal possibility, that the (SEC) might exercise its powers * * * to find controlling influence and declare them to be a holding company despite their ownership of less than 10 percent of the voting securities.

"There are elements in the arrangements which would provide a foundation for such a proceeding if in our judgment it were ever necessary or appropriate to bring it. They are fairly obvious.

"The reactor is immediately adjacent to the turbines and the generator. Detroit Edison will buy all of the output of the reactor, all of the heat that it produces. Detroit Edison's president will also be president of the Power Reactor Development Co. Although all of the sponsors will have their employees working on the project it may well be that Detroit Edison will have more of its key employees on the project than will the other sponsors."

Let us take a look at a second important condition laid down in your proposal to the Atomic Energy Commission:

2. "That the contributions of the members to the licensee corporation will qualify as deductible for Federal income-tax purposes."

Let me say right here that I see nothing wrong with legitimate business expense of a company being deductible for Federal income-tax purposes. However, this condition refutes the impression you and the PRDC have been trying to impart to the general public as to the financial risk of the member companies.

What the public has not been told is that a favorable Internal Revenue ruling on this point would mean that of every dollar "contributed" by the member companies, the Federal Government would actually be paying roughly 52 cents. In other words, "contributions" of $50 million would shrink to only about $24 million, with the remainder being made up of what ordinarily would have been tax dollars.

There are other financial gimmicks hidden in your conditions.

3. "A fixed and adequate price to be paid by the Atomic Energy Commission for special nuclear material produced by the proposed breeder reactor."

This, of course, is in reference to valuable plutonium, which would be a byproduct of the reactor once it began operation. The Atomic Energy Commission has an established price for plutonium, which the AEC declines to make public. In your negotiations with the AEC on this point, it is my understanding that you are disappointed at the relatively low price of the AEC. Whatever the final price, however, I am informed that it is not a negligible factor as far as future PRDC income is concerned.

You are also quoted frequently as saying that any information resulting from experimentation at the proposed reactor would be available without cost, and free to the Atomic Energy Commission and others.

Yet, is it not true that you are negotiating with the Atomic Energy Commission for materials and use of AEC facilities which would provide PRDC with an indirect subsidy of several million dollars? And that one of the conditions of this subsidy is the turning over to the AEC of this free information?

The articles of incorporation of PRDC also provide for the distributing of the property upon PRDC's dissolution. None of the property will be returned to the original incorporators or other contributors, according to your statements.

Is it part of this plan that the Detroit Edison Co. will similarly dispose of the proposed steam-turbine generator it will build on the same site at a cost of $14 million?

Another important condition laid down by PRDC is the matter of Government indemnity insurance. This harks back to the matter of safety.

In a statement presented to the Michigan delegation in Congress last June, you and your associates said there was practically no likelihood of accidents at the Monroe reactor. The statement also said:

"Recently both stock and mutual-insurance groups have announced arrangements which would make insurance up to $65 million available for each atomic-power facility. This should be more than adequate for all foreseeable conditions.

"It is the catastrophic type of accident that gives us concern, and this concern applies to any atomic-power installation regardless of ownership. A law to provide Government indemnity, over and above the normal commercial insurance, seems to be the only appropriate solution at this time."

In Congresional hearings on this subject, you testified there should be no upper limit on such insurance, or, if there was a limit, it should be "very high." Asked for your definition of a "very high limit," you stated:

"I would believe that the figure of $500 million to $1 billion would be a very high limit."

I am not for a moment underestimating the need for adequate insurance to cover atomic plant accidents. However, insurance, no matter how high the limit, would be a very inferior repayment for loss of life.

Another feature of the insurance matter, should indemnity be provided by the Government in this instance, would be to encourage more such atomic experimentation in densely populated areas of our country.

Before leaving the financial matters, there is another "condition" which, while not coming before Congress or Federal Government agencies, has already been met by the Michigan Public Service Commission.

In an order issued in March 1955, the Michigan Public Service Commission agreed to permit Detroit Edison Co. to include its contribution to PRDC—$5 million—in its rate base. Thus, the consumers of Detroit Edison actually will be paying the company's contribution through their electricity rates.

To get back to the safety matter for a moment, are the customers of Detroit Edison to pay for endangering their lives with their own money?

In relation to Edison, it is proper to turn to another aspect of the situation—the purchase of steam from the proposed reactor by the Detroit Edison Co.

You have testified that the Detroit Edison Co. intends to build a conventional turbine-generator plant on the site at a cost of $14 million. You state further:

"Payment for that steam would be made by the Detroit Edison Co. at a comparable cost to what the Detroit Edison Co. could produce the equivalent amount of steam in a conventional fuel-burning plant."

At first glance, this appears to be a very fair statement. However, there are other factors which are not evident at first glance.

In the first place, the price for this steam would be negotiated by the Detroit Edison Co. with the Power Reactor Development Co., of which Detroit Edison is a member and the guiding light.

Now, it can be presumed that, initially, the actual cost of this steam would be much higher than the cost of steam from a conventional fuel-burning plant, even though Detroit Edison payments to PRDC may be the same.

This raises the question: Who will pay the difference between the amount paid for the steam by Detroit Edison and actual cost of producing it? Whose account will that be charged to?

In conclusion, let me say that I do not question the legality of the direct and indirect subsidies sought by PRDC. Such concessions would necessarily have to be a part of private participation in these early stages of atomic energy advancement. Even the Securities and Exchange Commission indicates its willingness to give an administrative exemption to PRDC on the utility holding company matter.

But, as I noted earlier, your attempts to becloud the public's mind with this politics nonsense and the hiding of the Government's true part in your operations is what leaves you open to serious criticism.

What you should be doing, instead, is urging the Government to speed up its own atomic-reactor program so that the necessary research and information can be made available more rapidly for use by private enterprise.

You know this research and development work cannot be carried out without Government assistance, otherwise you would not have laid down the long list of conditions. Your testimony before various Congressional committees makes this knowledge on your part evident, even though it is not so evident in your press conferences and other public statements.

You should know that the matter of more-than-adequately protecting the public from the fantastically-harmful effects of atomic accidents is even more important than actual progress in the peacetime use of the atom. The primary matter is safety, and that must be satisfied beyond a shadow of a doubt.

There is also the question of whether PRDC participants may not, as a result of their efforts here, wind up with virtually a monopolistic control over such peacetime uses. I suspect they will get much more from the proposed reactor than what you testified to, almost deprecatingly:

"They will, of course, benefit by the know-how each will acquire by actually having

some participation in the construction and operation of the reactor."

The field of atomic energy is a gigantic one. The unknowns are equally gigantic. What you propose to do is to use information already gathered by the Government through the expenditure of approximately $15 billion, pay for your reactor through hidden subsidies and tax concessions, and wind up with invaluable knowledge of atomic processes to use for future private gain.

Your tactics in pretending that the safety factor is nonexistent and your efforts to block questions about the proposed reactor with a political smokescreen and a public versus private power strawman can lead only to questions as to your true motives.

Sincerely,

PAT MCNAMARA,
United States Senator.

Mr. McNAMARA. Mr. President, I shall not read the entire letter now, but I wish to read a portion of what I told Mr. Cisler. The following is an excerpt from the letter:

Let me make my own position clear at the outset, I reject the myth you have concocted that this is solely a fight between public and private power interests.

I would be more than happy if this work in the peacetime uses of atomic energy could be carried out by private enterprise.

I also, under normal conditions, would be extremely happy that this work was to be done in Michigan, with Michigan companies playing a leading role.

What I object to, however, is the sanctimonious approach you are making to the public.

You attempt to put across the notion that this work can be done by private enterprise without a dollar of the taxpayers' money being involved—you underplay the safety question—and you charge that any interference or questioning of our scheme is "politics."

Meanwhile, Mr. President, a group of interested parties—primarily the United Automobile Workers, the AFL-CIO, and others—asked the AEC for permission to intervene in the license proceedings.

They requested a hearing with respect to the legality of the Commission's conduct, the hazards of the reactor, and the financial qualifications of PRDC. They also requested that the permit be suspended, pending the hearing.

The AEC granted the hearing, but refused to permit them to go into the question of whether the AEC has violated the law, and it also refused to suspend the construction permit.

Although the interveners were granted a hearing of sorts, they immediately ran into a new and unusual problem. Because of the highly technical and complex nature of the issues, they had to call on the services of nuclear experts.

Now, there are few, if any such experts in the United States who do not have some relationship to AEC programs.

It is understandable that such experts would be reluctant in any event to take a public position contrary to that of the AEC.

But the AEC made it very plain that it not only understood this reluctance, but it desired it.

On December 14, 1956, Mr. H. L. Price, Director of the Division of Civilian Application of the AEC, stated that the AEC "has advised its consultants that voluntary appearances might involve a conflict of interest with their activities as consultants to the Commission—and that they may wish to consult private counsel in this respect."

That, Mr. President, is clearly intimidation to my mind.

The testimony on safety at the hearing simply reaffirmed the June 1956 findings of the Advisory Committee on Reactor Safeguards.

In other words, as of this date, there still is "insufficient information available to give assurance that the PRDC reactor can be operated at this site without public hazard."

The testimony on the financial qualifications of PRDC also was very interesting.

PRDC offered evidence that it had obtained commitment letters from its 21 companies covering contributions of $23,540,000.

It had a loan agreement with banks for $15 million, and purportedly $7 million from the Atomic Power Development Associates for research, development, and the like.

All these commitments reportedly were just about enough to cover the cost of constructing the reactor—if PRDC would receive favorable rulings concerning the taxability of its income.

The Internal Revenue Service, on July 19, 1957, finally ruled that none of PRDC's income during the construction period was subject to taxation. This is an assist worth about $7 million.

Assuming that PRDC had the construction cost covered, which is by no means certain, let us look at its financial problems during operation.

PRDC estimated that its total revenue from operating its reactor during a 10-year period—1961 to 1970—would be slightly over $92 million.

The sources of estimated revenue were twofold:

First. It would receive $43,500,000 from the sale of steam to the Detroit Edison Co.

Second. It would receive about $48,600,000 from the sale of the byproduce plutonium to the AEC—based on the assumption that the AEC would pay PRDC about $44 a gram for the plutonium produced.

That last source of revenue is very interesting. In the first place, of course, the Government would supply PRDC with nuclear fuel free of charge, and then buy back the plutonium produced.

This appears to me to be a strange way for the Government to do business, but that is the way things go nowadays, so I will not argue about it.

But let us look at that $44 per gram for plutonium that PRDC wanted the AEC to commit itself to. PRDC must have received a rude shock last November when the AEC announced that it was setting a guaranteed price of only $12 per gram for plutonium purchased during the period of July 1, 1962, through June 30, 1963.

On the basis of $12 per gram, PRDC's revenue would be more than $30 million less than it had estimated. But in May 1957, the AEC reversed itself—as only the AEC can do. It said that the price for plutonium during this period would be $30 per gram instead of $12—but still $14 per gram less than PRDC was counting on.

It should be noted that while the domestic price for plutonium will be $30 per gram, the price for plutonium produced in foreign reactors still remains at $12 per gram.

There has been no explanation to justify this difference in price.

Last March, while the hearings were in progress, the AEC entered into a contract with PRDC, in which it undertook to do certain research work in its own facilities to aid the construction of the PRDC reactor.

For this research work, the AEC would spend not more than $4,450,000.

The contract also provided for free nuclear fuel to be supplied by the AEC for the first 5 years of the reactor's operation. This provision is estimated to be worth $3,700,000.

The timing of the contract was very peculiar.

The AEC committed itself, on the one hand, to aid the PRDC reactor financially, while at the same time it was conducting a hearing to determine whether or not the reactor should even be built.

Also, the AEC was committing itself to use funds which Congress had not yet appropriated.

In a recent letter to Representative COLE, Chairman Strauss said in part:

The PRDC arrangement was entered into in good faith pursuant to the first round of the Commission's power demonstration reactor program—the aims, content, and procedures of which were, we had every reason to believe, fully acceptable to all concerned including Congress.

We believe that under the circumstances PRDC in justice is entitled to assurance that the appropriations necessary for the Commission's undertakings are authorized.

In other words, what Mr. Strauss is saying is that, while the contract was specifically made contingent on the availability of funds appropriated by Congress, Congress is now obligated to appropriate these funds because the contract was negotiated.

This reasoning, while foreign to us, seems entirely in keeping with many of the activities of Mr. Strauss and his AEC.

Mr. President, I have made these remarks not because I do not wish to see PRDC construct a safe and successful reactor. Nor do I make them because I fail to see the great importance of peacetime use of atomic energy. I make them because the odor of this entire transaction, from start to finish, is a bad one.

I think the people of Michigan and of the United States are entitled to have the wool pulled away from their eyes for a change in the exercise of our domestic atomic policy.

For too long they have been hoodwinked and treated to practices that do not bear close scrutiny in the light of day.

I think it is time for a change.

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

Mr. McNAMARA. I yield to the Senator from Tennessee, who is an authority on this subject.

Mr. GORE. I thank the Senator. I am a layman, although I am a member of the committee.

The chairman of the Advisory Committee on Reactor Safeguards testified that on the basis of information now available he could give no assurance that this reactor can be safely operated. It is the position of the committee that we should neither approve nor disapprove at this time, that we should not prejudice the ultimate decision as to the safety of the reactor, because no member of the committee is a scientist. It is a question that must ultimately be determined by proper authority.

Mr. McNAMARA. I appreciate the Senator's remarks, but does he not agree that a proper committee on the question of safety had not passed on the question as of today?

Mr. GORE. It has not been approved as to safety.

Mr. McNAMARA. Therefore we are concerned with the safety question.

Mr. GORE. Furthermore, when the decision of the Commission is finally made, it is appealable to the courts. It is through that process that a decision will probably be reached.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. HICKENLOOPER].

Mr. PASTORE. Mr. President, I desire to make a very brief statement in opposition to the amendment of the distinguished Senator from Iowa. I merely say that, with the amendment or without the amendment, the Government will not be in the business of selling commercial power. If this is a contract between the Government and the cooperative, it is because of round two under the program initiated and suggested by the Atomic Energy Commission itself.

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

Mr. PASTORE. I yield.

Mr. HICKENLOOPER. This is not a contract between the Government and the cooperative, as the language now reads, and that is what I am trying to change. The Commission must contract with the supplier, and not with the cooperative.

Mr. PASTORE. That may be true before the construction of a reactor. But one of the interested, important parties whose name will be affixed to the document will be the cooperative, which assumes full responsibility for maintaining and operating the reactor once it is built. All we are saying in the committee report is that under the proposal reported by the joint committee, inasmuch as every single penny of the money to be spent is Government money and belongs to all the taxpayers, and inasmuch as the cooperative will not put up one penny for the construction of the reactor, it behooves the Commission, and it is the responsibility of the Commission, to see to it that the proper architect is engaged, the proper engineer is engaged, the proper construction contractor is engaged; that the reactor is built according to specifications, and is the right kind of reactor for that section of the country. That is all the provision says. It says to the Atomic Energy Commission, "If you are paying for the full expense of building the reactor, then you are responsible to see to it that the taxpayers are protected by dealing directly with the manufacturer who will put it together." Once it is put together, the cooperative will operate it. Whether we do business directly or not, the situation is not changed.

I think it is a very simple provision, and a very wise one. I believe it is consonant and consistent with the responsibility of the AEC to the taxpayers of the United States.

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

Mr. PASTORE. I yield.

Mr. GORE. The Senator has referred to responsibility. The Congress of the United States has created the Joint Committee on Atomic Energy with legislative jurisdiction over this subject matter. I ask the able Senator how the Joint Committee on Atomic Energy could best discharge its responsibility for the expenditure of billions of dollars, whether by direction or indirection, whether by holding the Atomic Energy Commission itself directly responsible, or whether by indirection, seeking to hold the Commission responsible through some other entity?

Mr. PASTORE. That is the crux of the question. In my mind I have no doubt. It has nothing at all to do with the Government being in the business of selling commercial power. The power will be sold whether the amendment is agreed to or not. This reactor will be built, whether the amendment is agreed to or not. The cooperative is going to operate the reactor, whether the amendment is agreed to or not. We are going to sell the steam, whether the amendment is agreed to or not.

We are in the enterprise anyway. If there is any fault with the Government being in the commercial business of selling power, then the fault is with the program suggested by the AEC; it is not with the action the committee took.

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

Mr. PASTORE. I yield.

Mr. GORE. Under the Commission plan, a small cooperative with an income of only $18,000 a year could contract for the construction of a multimillion dollar reactor. Such a cooperative might be without funds to justify such an undertaking, without experience in reactor construction, without sufficient technical personnel, without experience in making contracts of such magnitude, yet the Government of the United States would be obligated to foot the bill.

Under the plan proposed by the Joint Committee, the Commission itself would deal, not through a third party, but would deal directly with those who would design and construct the reactors. I think that is the most economical approach. We know it is the most direct way to proceed. We think it is the most business-like way and that it will bring about the most rapid research and development, for less money.

Mr. LAUSCHE. Mr. President, I shall not urge any of my colleagues as to the manner in which they shall cast their votes.

I have listened to the debate this afternoon. I have studied the section under consideration. I want to say to Senators that, regardless of what we say as to this amendment, in my opinion, the Government will forever be operating the plant in question or any other plant established and constructed under the bill.

If Senators will look at page 15 of the bill, I should like to read from the section, which is divided into two parts. The first part reads:

> Arrangements for projects sponsored by cooperatives and publicly owned agencies shall be carried on by direct contract between the Commission and the equipment manufacturer or engineering organization with respect to the development, design, and construction of the reactor and related facilities—

This part now provides that the contract shall be made directly with the equipment manufacturer instead of the cooperative.

Mr. PASTORE. That is correct.

Mr. LAUSCHE. Part No. 2, I think, is the significant aspect of the section—

> and by direct contract between the Commission and the cooperative or publicly owned organization with respect to the provision of a site—

That is simple. They will contract to determine where the site will be—

> and conventional turbogenerating facilities—

That is simple. They will determine what type of conventional turbogenerating facilities will be installed—

> the operation of the entire plant including training of personnel.

On that score there may eventually be trouble. Who is going to operate the plant? The Government has now said it is not to be in it.

Mr. PASTORE. If the distinguished Senator will permit, I did not say the Government was not to be in it. We are not drawing the proper line of demarcation here. The first part of the subsection which the Senator has read deals with construction. Once the reactor is built, the situation is different.

Mr. LAUSCHE. I understand that clearly, without the aid of the distinguished Senator.

I am saying to Senators that the third portion of the section provides that there shall be a contract made directly dealing with the operation of the entire plant. I respectfully say that none of us are going to be in the administration, and that the section determining who shall operate the plant is left suspended.

> The sale by the Commission of steam—

Let me repeat that:

> The sale by the Commission of steam from the reactor complex to the cooperative or publicly owned organization—

There is a query I desire to put to the Senator——

Mr. PASTORE. Is the Senator addressing the query to the Senator from Rhode Island?

Mr. LAUSCHE. No.

Mr. PASTORE. The Senator from Rhode Island has the floor, I believe. I yielded for a question.

Mr. LAUSCHE. I asked the Chair for the floor.

Mr. PASTORE. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. PASTORE. I beg the Senator's pardon.

Mr. LAUSCHE. There is nothing in this bill which provides that the Government shall ever sell the plant. I ask if it is reasonable to suppose that it ever will sell it. The Government will make a contract with the cooperative, and from that time on, forever and forever, the Government will own these plants.

The argument which I am now making applies with equal force to the amendment which was just voted down.

In my opinion, in spite of all the arguments which are made to the contrary, to the effect that this does not mean the Government is in the business, we cannot read this language and come to any conclusion other than that the Congress is telling these people when and where to sell. A public-minded owner of utilities, if in the administration, will never sell them. I doubt whether even the private-minded owner will be able to sell them if and when built.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. I concur with what the Senator from Rhode Island said a while ago. The amendment means nothing, but the bill means we are forever in the power business.

Mr. PASTORE. If the Senator will yield, that is precisely the point. If there is anything wrong with this whole program, the wrong is with section 111. That is the program, round two, initiated and suggested by the Commission itself. Everything the Senator has said is correct. Every question the Senator has raised here was raised in the committee and fully discussed.

Mr. LAUSCHE. Certainly, in the committee.

Mr. PASTORE. The impression is given here that if we amend the bill we will take the Government out of the power business, but if we leave the bill the way it is the Government will be in the power business. All I say is that the Government is in the power business whether we adopt the amendment or not. The only justification for putting the Government in the business, of course, is that this program is still in the stage of research and development.

I repeat that the argument of the distinguished Senator from Ohio goes to the whole section and not to the amendment.

Mr. LAUSCHE. I agree that the amendment does not alter the situation.

I may say to my colleagues that in the committee there was a discussion about imposing a 5-year limitation or a 10-year limitation after which the Government would have to divest itself of ownership. The Senator from Minnesota is aware that the Elk River project group has an option to buy in 5 years. That option will be dead when the bill is passed.

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

Mr. LAUSCHE. I yield to the Senator from Minnesota.

Mr. THYE. There is a provision regarding that matter in the contract which at present lies on the desk of the Atomic Energy Commission for approval. That is my great concern and has been my concern all afternoon with regard to this bill. It seems to me we are moving in the direction of total public power, and that we may foreclose the possibility of negotiating to a completion the contract which now lies awaiting signature, a contract between a willing cooperative and the Atomic Energy Commission.

If I am mistaken in my understanding of the situation, then it is simply because of my inability to get to the bottom of it or to obtain the facts.

I see in the pending proposal public power, and also a question of destroying the existing, prepared, and much-negotiated contract between the Elk River group, the Atomic Energy Commission, and the manufacturing company.

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

Mr. LAUSCHE. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I think the Senator from Ohio has put his finger on several things which are implicit in the bill as it came from the committee. However, I should like to invite his attention to something which the Senator from Minnesota has mentioned.

The Elk River Cooperative wants to deal with the Commission and wants a part of the responsibility. It does not want the Commission to be compelled to bypass the Elk River Cooperative in the purchase and building of the reactor. In fact, the Elk River Cooperative has done many of these things on its own.

I am quite reliably informed that Consumers Public Power District of Nebraska wants to contract with the Commission under a partnership arrangement. They have taken many steps toward the acquisition of their own reactor operation. This bill would prevent that.

Mr. LAUSCHE. I might say to the Senator from Iowa that if I had to pass upon this measure I would say that the probability of the Government getting out of the business is greater if we adopt the Senator's seemingly innocuous amendment than if we do not.

Mr. HICKENLOOPER. I believe that is true, but I do not believe I could go along with the Senator in saying that my amendment is quite innocuous. I think it is important and goes pretty deeply into the whole philosophy of putting the Government into the commercial power business. I think that is what is involved in the amendment.

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

Mr. LAUSCHE. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I ask the able Senator from Ohio to interpret the language in line 9, page 15, of the bill, which has a limitation on the size of the program.

Mr. LAUSCHE. I saw those figures, and I cannot see the relationship. There is authorized to be appropriated $129 million, and following that is a statement that it shall not exceed $149 million. I do not know whether there are $20 million of unexpended funds available somewhere.

Mr. ANDERSON. There are $20 million of waiver-of-use charges which are authorized in the program total.

Mr. CASE of South Dakota. What was the answer?

Mr. ANDERSON. The Atomic Energy Commission has asked for authorization for waiver-of-use charges on these various projects, including the Nebraska project, the Minnesota project, the Wolverine project, the city of Piqua, Ohio, project, and the Chugach project. These were not considered necessary, as such, under the committee's bill. The $20 million has been put in to take care of those obligations for the third round which the Commission desires to assume.

Mr. CASE of South Dakota. Then that is not a limitation on the obligations which may be incurred in the program.

Mr. ANDERSON. The $129 million is a limitation on authorization, and the $20 million additional is a further authorization on how much excess there can be over the $129 million.

Mr. CASE of South Dakota. The able Senator from Ohio has raised the question as to whether or not there are any terminal facilities in this program. I was wondering whether this language meant that in the beginning there would be an authorization of $129 million, but that in any event the program was not to exceed $140 million.

Mr. ANDERSON. No.

Mr. LAUSCHE. This is the amount of money allowed for construction purposes, but each year it will be necessary to appropriate money for operation. So if we decide to quit appropriating money at some time, that will be the termination date of the project.

Mr. ANDERSON. The waiver-of-use charges is a portion of the operating expense. The Senator was quite right when he said that if additional money were desired for building new plants the Congress would have to provide the money; but theoretically $20 million would take care of waiver-of-use charges for about the time the reactors are supposed not to be economical.

Mr. CASE of South Dakota. Mr. President, if the Senator from Ohio will indulge me further, and if I may have the attention of the Senator from New Mexico, the Senator from New Mexico answered the question raised by the Senator from Ohio with respect to the length of time for which the Government would incur operating obligations.

Mr. ANDERSON. If anyone can tell me how long it will be before we shall have thermonuclear power, I can tell him how long we shall want to operate these reactors.

In the long discussion we had with the Senator from Ohio, I think we arrived at the answer that so long as the reactors are valuable in development and research, so long as they are bringing in the experience which the Atomic Energy Commission wants, and so long as the costs remain reasonable, they will probably be operated. My personal guess is that after they are constructed, there will not be more than 5 years in which they will be economically desirable, or in which they will contribute to research in the art. We are making rapid progress. Someone else may think

the period should be 15 years. We have not tried to pin it down. One could not submit that question to the Commssion and get an answer, because the Commission is not foolish enough to guess.

Mr. CASE of South Dakota. What kind of contract is being made in that connection?

Mr. ANDERSON. The Commission is making a contract with the Elk River Cooperative which provides that after 5 years the Elk River Cooperative may purchase the facility. That provision will be in every one of the contracts. After 5 years, if the cooperative wishes to purchase it, it may do so.

Mr. LAUSCHE. Where is the language in the bill authorizing sale after 5 years?

Mr. CASE of South Dakota. Why should the Elk River Cooperative, or any other cooperative, wish to purchase the plant, if it is guaranteed the right to purchase steam at a rate based upon the present cost of comparable steam from a plant using conventional fuels?

Mr. ANDERSON. The project will continue for 5 years, if the differential referred to is allowed. The project will terminate after a while. These projects will not continue for hundreds of years. The Atomic Energy Commission has tried to be careful, and so has the Joint Committee. After a time the experimental period will come to an end, and the projects will then be terminated.

Mr. LAUSCHE. Is there a limitation in section 111 (a) (2)?

Mr. ANDERSON. No. There is no special limitation on how long they may continue. But the report provides some guidance.

Mr. LAUSCHE. In my judment the bill contemplates that the only way it will be possible to sell the property will be through action by Congress. Perhaps that is the way it should be, but to look at it objectively and coldly, any time it is desired to make a sale, the approval of Congress is required.

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

Mr. LAUSCHE. I do not know whether the Senator from South Dakota has concluded.

Mr. CASE of South Dakota. The Senator from Ohio has raised a question which troubles me, and that is whether or not this is an open-end, unending contract.

Mr. ANDERSON. Certainly not. It is limited. A limitation of funds is the best limitation Congress has. When the money runs out, the project is at an end. That is the most effective limitation. The committee has spent many hours on this very point, as has the Atomic Energy Commission.

Mr. CASE of South Dakota. I like the idea of a cooperative program between the Government and cooperatives, or between the Government and private interests. I am disturbed by the suggestion that we might be committing ourselves unendingly to operating expenses.

Mr. ANDERSON. Oh, no.

Mr. LAUSCHE. Mr. President, I have listened to the Senator's analysis of legal problems, but all we have to do is to look at the language on page 15. The language is—

> (1) Arrangements for projects sponsored by cooperatives and publicly owned agencies shall be carried on by direct contract between the Commission and the equipment manufacturer or engineering organization with respect to the development, design, and construction of the reactor and related facilities, and by direct contract between the Commission and the cooperative or publicly owned organization with respect to the provision of a site and conventional turbogenerating facilities, the operation of the entire plant including training of personnel, the sale by the Commission of steam from the reactor complex to the cooperative or publicly owned organization, and other relevant matters.

There is nothing in that language about the sale of the property.

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

Mr. LAUSCHE. I yield.

Mr. GORE. Nor is there any prohibition against sale. There is no change in the authority of the Atomic Energy Commission to contract for the sale, or to sell. The bill makes no change in that respect.

Mr. LAUSCHE. I think that is correct.

Mr. GORE. Under the present law, it can sell property; and if this bill is passed, the law will remain unchanged.

Mr. ANDERSON. Absolutely.

Mr. CASE of South Dakota. Mr. President, I should like to ask one further question. Is in accord with the Senator's analysis of section 111 of the bill, and of the amendment offered by the Senator from Iowa, that a program of approximately $130 million would be authorized in either event?

Mr. LAUSCHE. I think so.

Mr. CASE of South Dakota. I thank the Senator.

Mr. LAUSCHE. I will vote for the amendment, because I think the situation so far as the Federal Government eventually getting out of the business would be better under the amendent proposed by the Senator from Iowa.

Mr. ANDERSON. 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. ANDERSON. 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. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ANDERSON. What is the question now before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. HICKENLOOPER], designated as amendment "D." On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT (when his name was called). On this vote I have a pair with the senior Senator from Tennessee [Mr. KEFAUVER]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. SPARKMAN (when his name was called). On this vote I have a pair with the senior Senator from Vermont [Mr. FLANDERS]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Delaware [Mr. FREAR], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from West Virginia [Mr. NEELY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent by leave of the Senate attending the Economic Conference of the Organization of American States at Buenos Aires.

The Senator from Missouri [Mr. HENNINGS] is absent by leave of the Senate because of illness.

I further announce that if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Missouri [Mr. HENNINGS], the Senator from Texas [Mr. JOHNSON], the Senator from West Virginia [Mr. NEELY], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

On this vote, the Senator from Idaho [Mr. CHURCH] is paired with the Senator from Indiana [Mr. CAPEHART].

If present and voting, the Senator from Idaho would vote "nay" and the Senator from Indiana would vote "yea."

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 Colorado [Mr. ALLOTT] is absent because of illness in his family.

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 and is paired with the Senator from Idaho [Mr. CHURCH]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Idaho would vote "nay."

The Senator from Vermont [Mr. FLANDERS] is necessarily absent, and his pair with the Senator from Alabama [Mr. SPARKMAN] has been previously announced.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent on official business.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from New Hampshire [Mr. COTTON], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Maine [Mr. PAYNE] would each vote "yea."

The result was announced—yeas 34, nays 42, as follows:

YEAS—34

Barrett	Hruska	Purtell
Beall	Ives	Revercomb
Bennett	Javits	Robertson
Bricker	Jenner	Saltonstall
Bush	Knowland	Schoeppel
Butler	Kuchel	Smith, Maine
Carlson	Lausche	Smith, N. J.
Case, N. J.	Martin, Iowa	Thye
Curtis	Martin, Pa.	Watkins
Dirksen	Morton	Williams
Dworshak	Mundt	
Hickenlooper	Potter	

NAYS—42

Aiken	Hayden	Monroney
Anderson	Hill	Morse
Bible	Holland	Murray
Carroll	Humphrey	Neuberger
Case, S. Dak.	Jackson	O'Mahoney
Chavez	Johnston, S. C.	Pastore
Clark	Kennedy	Russell
Cooper	Kerr	Scott
Douglas	Langer	Stennis
Eastland	Long	Symington
Ellender	Magnuson	Talmadge
Ervin	Mansfield	Thurmond
Gore	McClellan	Wiley
Green	McNamara	Yarborough

NOT VOTING—19

Allott	Frear	Neely
Bridges	Fulbright	Payne
Byrd	Goldwater	Smathers
Capehart	Hennings	Sparkman
Church	Johnson, Tex.	Young
Cotton	Kefauver	
Flanders	Malone	

So Mr. HICKENLOOPER'S amendment was rejected.

Mr. GORE. Mr. President, I offer an amendment, which has been discussed with members of the Joint Committee and to which the Senator from Iowa [Mr. HICKENLOOPER] has agreed.

The PRESIDING OFFICER. The amendment will be stated.

Mr. GORE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with and that the text of the amendment be printed in the RECORD.

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

Mr. GORE'S amendment is as follows:

On page 17, line 24, add the following new sections:

"SEC. 201. Section 161e of the Atomic Energy Act of 1954, as amended, is amended by adding after the words 'adjusted terms which' in the proviso thereof, the following: '(at the time of the initial grant of any privilege grant, lease, or permit, or renewal thereof, or in order to avoid inequities or undue hardship prior to the sale by the United States of property affected by such grant)'.

"SEC. 202. Section 35 of the Atomic Energy Community Act of 1955, as amended, is amended by adding thereto:

"'c. The appraised value of the Government's interest in commercial property shall, in the cases where renegotiation of the lease is requested by the lessee under the provisions of section 161e, of the Atomic Energy Act of 1954, as amended, be based upon the renegotiated lease if any is agreed on. Where such renegotiations are requested, the sales proceedings shall not be initiated until the completion of the renegotiation.'

"SEC. 203. The Atomic Energy Commission, the Federal Housing Administration, and the Housing and Home Finance Agency shall report to the Joint Committee by January 31, 1958, with respect to the renegotiations, reappraisals, and sales proceedings authorized under sections 201 and 202 of this act.

"SEC. 204. Section 161 of the Atomic Energy Act of 1954, as amended, is amended by adding the following new subsection:

"'s. Under such regulations and for such periods and at such prices the Commission may prescribe, the Commission may sell or contract to sell to purchasers within Commission-owned communities or in the immediate vicinity of the Commission community, as the case may be, any of the following utilities and related services, if it is determined that they are not available from another local source and that the sale is in the interest of the national defense or in the public interest:

"'(1) Electric power.

"'(2) Steam.

"'(3) Compressed air.

"'(4) Water.

"'(5) Sewage and garbage disposal.

"'(6) Natural, manufactured, or mixed gas.

"'(7) Ice.

"'(8) Mechanical refrigeration.

"'(9) Telephone service.

"'Proceeds of sales under this subsection shall be credited to the appropriation currently available for the supply of that utility or service. To meet local needs the Commission may make minor expansions and extensions of any distributing system or facility within or in the immediate vicinity of a Commission-owned community through which a utility or service is furnished under this subsection.'"

Mr. HICKENLOOPER. As I understand, the amendment refers to the settlement of some community property problems we had under discussion. I personally believe they should be settled, and the amendment provides the only vehicle whereby that can be done.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment of the Senator from Tennessee [Mr. GORE] was agreed to.

Mr. BIBLE. Mr. President, I ask unanimous consent that a statement I have prepared concerning the atomic reactor problem in the State of Nevada be printed at this point in the RECORD.

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

STATEMENT BY SENATOR BIBLE

Since the inception of nuclear tests authorized by our Government at the Nevada test site in southern Nevada, the residents of my State of Nevada have been more than cooperative.

The first atomic blast at the Nevada test site was conducted on January 27, 1951. This followed a single test in New Mexico on July 16, 1945. The entire Nation has focused its eyes on Nevada, as test after test, and blast after blast have occurred. In the 5 series of tests since the original shot in 1951, 45 atomic blasts in all have been the total result of nuclear tests in Nevada. Starting with the current series of tests early this spring, some 15 tests have been made, 4 of which were not nuclear.

The series has not yet ended. More are to come.

As I stated before, the residents of Nevada have been cooperative with the United States Government in keeping their objections to a minimum. This has not come about by the mere fact that they have felt they are secure from all danger; but has been more from the fact that they realize the importance of the testing program; the importance to our entire Nation and to the world. They fully realize that if the United States is to keep pace in the atomic weapons field and if the United States is to use the scientific knowledge at its disposal in this field that the tests are necessary. The residents of Nevada are peaceful people. They want our Government to have the means with which it can keep the peace of the world. However, I am certain that Nevada residents do not want Nevada to become the dumping grounds for the Atomic Energy Commission's experimental weapons program.

They would much prefer that the Atomic Energy Commission displayed some interest in establishing peaceful nuclear reactors of some type, which would insure a normal and peaceful growth for the State and thereby assist us in establishing industry for which our State is in such dire need.

In other words, Nevadans and myself, speaking as their elected representative, feel that the time is long overdue for recognition to our State by the Atomic Energy Commission, in establishing an atomic reactor for power purposes or for the establishment of experimental laboratories in our State university at some other site which would give our Nation and State a part in the important peaceful adaptation of nuclear energy.

The State of Nevada is one of the fastest growing States in the Union.

We need power.

Our water resources are limited.

We are ideally situated for the establishment of a nuclear reactor, from which we could obtain needed requirements in electrical energy. We have great wealth in the manner of minerals. We have ample transportation facilities. We are situated near heavily populated areas. We have enterprising residents, who want to see their State grow and prosper and attract industry. We cannot do this without ample power.

I am sure the majority of this body is well aware of the tremendous cost of establishing nuclear power facilities. This is one reason why private enterprise has been slow in developing nuclear reactors and power plants. Conventional plants are less costly.

Small power firms in Nevada do not have at their disposal men who are qualified to outline and draw plans for negotiating contracts with the Atomic Energy Commission or with industry to the point where they can give the necessary information for acquiring assistance needed to establish and construct nuclear power facilities. They are qualified in their particular field of generating power by other means. They are interested in the nuclear field and they need the assistance that is offered in this bill now before the Senate.

They realize nuclear power plants in Nevada will hurdle the obstacles of a shortage of water and high-cost fuel. They are also cognizant of the high costs involved in nuclear power.

There are two points which I want to convey to this body and I feel that both can be stated in simple words.

First, if the State of Nevada can bear the brunt of atomic blasts and a necessary testing program for nuclear weapons in carrying out the policy of our Government under the terms of laws and provisions at the command of the Atomic Energy Commission and its purview by the President, then the Atomic Energy Commission should also awaken to the needs of State and direct some effort toward establishing a portion of its experimental work along peaceful lines, such as a nuclear reactor in a section of Nevada to be chosen at the Commission's direction.

Second, I sincerely hope that this body will adopt measures to implement the present Atomic Energy Act, whereby a simplification of procedure will result, thereby allowing small privately owned or publicly owned power companies to compete in the construction of nuclear power reactors with material assistance from the United States Government.

Mr. BIBLE. Mr. President, I ask unanimous consent that an editorial from the Mineral County Independent, of Hawthorne, Nev., under date of August 7, 1957, dealing with the same general problem, be printed at this point in the RECORD.

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

[From the Mineral County Independent, Hawthorne, Nev., of August 7, 1957]

Causing almost as much rumble as the atomic-bomb blast itself is the growing demand for at least a temporary halt of all nuclear-bomb tests.

While the World Council of Churches was recommending this at a central council committee meeting in New Haven, Conn., another organized group, with temporary headquarters in Las Vegas, was carrying on an active program of protest against further tests at the atom test site in southern Nevada.

In fact, 11 demonstrators from this group were arrested Tuesday as they attempted to enter the test site as a protest action.

For several weeks there has been much written about such planned demonstrations, and also about the AEC's intention to make arrests for trespass and also about the stringing of barbed-wire barriers and posting of armed guards.

And all of this is going on within the boundaries of the sovereign State of Nevada, not in Washington, D. C., or some isolated Pacific island.

Which causes us to assert that it is high time our United States Senators and Congressmen, and even our Governor, speak up—in audible and firm voice—to the AEC.

Again we say that if Nevada is to be used as dumping ground for the Atomic Energy Commission's experimental program, this State should also receive first consideration as the location for some of the more permanent types of atomic research—such as nuclear powerplants now being tested in several other States.

Based upon what little information the AEC is willing to release (about the developments at these various test plants) there is more reason than ever to insist that one such plant be established in the vicinity of Schurz. The Government owns a vast amount of land in that area; there is the "river of water" that is so frequently referred to as a necessity.

And there is a great potential outlet for power—Mason Valley (with Anaconda and other mines) to the west; Nevada Scheelite (mine and carbide plant) and Gabbs (with its large mining and milling operations) to the east; Fallon (with the big expansion program at the naval air station) to the north; and Mineral county (with the huge naval installation at Hawthorne, and mining and industrial potential) to the south.

Franchise right of the privately and municipally owned power systems in these areas could be guaranteed through initial agreements and contracts, just as is done where large dams are built by the Government as a part of reclamation projects.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, 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. ANDERSON. There is on the calendar, Calendar No. 870, H. R. 8996, and I ask unanimous consent that the Senate proceed to the consideration of that bill; that all after the enacting clause be stricken; that the text of the Senate bill, as amended, be inserted in lieu thereof; and that the Senate bill be indefinitely postponed.

The PRESIDING OFFICER. The House bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 8996) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. Without objection, the bill is amended by striking out all after the enacting clause and substituting in lieu therefor the text of S. 2674, as amended.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The PRESIDING OFFICER. Without objection, S. 2674 is indefinitely postponed.

Mr. ANDERSON. Mr. President, I move that the Senate insist upon its amendment, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ANDERSON, Mr. RUSSELL, Mr. PASTORE, Mr. GORE, Mr. JACKSON, Mr. HICKENLOOPER, Mr. KNOWLAND, Mr. BRICKER, and Mr. DWORSHAK conferees on the part of the Senate.

AMENDMENT OF ATOMIC ENERGY ACT OF 1954, AS AMENDED

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar 302, S. 2051.

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

The LEGISLATIVE CLERK. A bill (S. 2051) to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

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

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I understand there is no controversy about the pending bill. It has the unanimous approval of the full Joint Committee on Atomic Energy.

Mr. ANDERSON. Mr. President, I have one short amendment to offer to the House bill, concerning a matter which came to us from the advisory committee.

I ask unanimous consent that the Senate proceed to the consideration of the House bill, Calendar No. 579, H. R. 7383.

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

The LEGISLATIVE CLERK. A bill (H. R. 7383) to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico?

There being no objection, the Senate proceeded to consider the bill.

Mr. ANDERSON. The House added a number of minor amendments, which, I am sure, the Senator from Iowa will agree, are satisfactory to the joint committee. Therefore, it is better to work with the House bill.

Mr. President, I offer the amendment which I send to the desk and ask to have stated. The amendment is offered to the House bill.

The PRESIDING OFFICER (Mr. BUSH in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, in line 20, after the word "conferences", is is proposed to insert "or other work of the committee."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

Mr. ANDERSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a speech which I intended to deliver. I imagine the Senate will not object if I do not deliver it at this time.

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

STATEMENT BY SENATOR ANDERSON

As I speak in support of S. 2051, I do so with the conviction that this bill is as soundly drafted as it is possible to get. The probability of there ever being any necessity for using the provisions of this act is very, very slight.

First I want to go over the history of how this bill came to its present state. During the hearings which are required to be held by the Joint Committee under section 202 of the Atomic Energy Act of 1954, this indemnity problem was brought to the attention of the committee as a possible roadblock. In April of 1956, the Joint Committee held a seminar with over 40 persons attending, at my invitation as Chairman of the Joint Commitee. These persons represented the Atomic Energy Commission, insurance companies, possible reactor owners, possible reactor contractcors, and persons who may sell specialized services or parts. Again on May 15, 16, 17, 18, and 21, 1956, the Joint Committee held public hearings on the problem, at which time it heard 38 persons, which also included representatives of cooperatives and unions. These hearings were held by the full committee in view of the importance of the problem. Further hearings were held in June of 1956. Hearings were held again in March of 1957, at which time 26 witnesses were heard. Everybody who desired to appear was given an opportunity to testify or to file a statement. No statement has yet been submitted to the Joint Committee opposing this legislation except on behalf of one association.

I want to assure you that the main purpose of this proposed legislation is to see that the public is protected in the unlikely event of a runaway reactor. This aim, more than anything else, distinguishes the present bill from those methods of protection suggested by other persons.

Let me give you a brief explanation of how the bill operates.

First, as a condition for a license for a reactor, the Commission will require the licensee to take out and maintain financial protection. The face amount of this protection is to be the amount of insurance which is privately available, unless the Commission finds that a lesser amount is fair, considering the hazard involved in the reactor and

the terms and cost of the insurance, among other things.

The Commission is given authority to require this financial protection as a condition of the license when any other hazardous activity in the atomic energy program might be carried on.

Second, each licensee required to furnish financial protection is also required to maintain a contract of indemnification with the Federal Government by which the Government will indemnify the licensee up to $500 million, including damages and the costs of investigating and settling claims. This $500 million is the maximum amount the Government will be called upon to pay in connection with any nuclear incident under this bill.

Third, both the financial protection and the Government's indemnification are to be made for the benefit of any person who might be found liable for a reactor incident. This will cover a large number of contractors and subcontractors and it will cover them whether they supply the materials, knowing they are going into a reactor, or whether they supply them through the open market. In view of the Committee's desire to protect the public, regardless of the particular cause of any reactor incident, the private insurance and the Government indemnification will both cover any person who might be liable for the nuclear incident at the reactor.

Fourth, the Commission is given the authority to use this indemnification procedure with its own contractors and subcontractors. There have been occasional questions as to the Commission's authority to give indemnification agreements under the Atomic Energy Act of 1954 where the President has not exercised his special authority to waive the statutory requirements of contracts. In addition, the Commission has not always extended its indemnities down through the lower tiers of subcontractors so that they are left without any protection in the event one of their contributions to a reactor should be found to be the cause of a nuclear incident.

Fifth, in the more remote contingency that the possible damages might exceed the amount of the financial protection, together with the $500 million sum, the Commission, or any person interested, can apply to the district court having jurisdiction in bankruptcy over the site of the nuclear incident and have the funds available prorated among all those to whom liability is owed. Congress could appropriate more moneys after further authorization hearings before the Joint Committee, if this seemed desirable at the time. The Commission is required to make full reports to the Joint Committee whenever there is a nuclear incident which might require the exercise of the powers given by this bill, and the final findings of the Commission are to be made public.

Sixth, the Joint Committee recommends that the Commission charge $30 a year per thousand kilowatts of thermal energy for commercial facilities. This would cover the administrative costs of the protection but would not provide an actuarially sound reserve.

To round out the picture, I should tell you that Commonwealth Edison Co. would pay $18,900 a year for the governmental indemnity; Yankee would pay $14,400; Elk River would pay $1,640; General Electric Co. would pay $360, and Armour and Battelle would pay $100 each.

Seventh, to complete the statutory provisions for the reasonable safety of reactors, as I have mentioned before, the bill would make the Reactor Safeguards Committee a statutory committee and would make its reports public. It would require the Reactor Safeguards Committee to pass on applications for those licenses for reactors which, by their nature, are the less safe. In addition, the Commission is required to hold hearings on each facility which would be licensed, either as a commercial facility or as a facility looking toward the demonstration of its practical value, or a testing facility. These are the facilities most likely to have the hazards against which this bill seeks to provide additional protection.

There is one particular feature of the bill that I would like to discuss. This is that portion of the definition of "public liability" which includes the so-called off-site property. This portion would provide statutory protection for the property of those persons indemnified which may be damaged because of the runaway reactor—the property which is located away from the reactor. As of now, this property is not covered by the liability insurance policies. The statutory coverage for this property is so worded that at any time when the underlying insurance policy does cover the off-site property then the governmental protection covers it.

The problem the Joint Committee faced is this: A reactor located on the campus of a university might cause damage to the university property. There is no insurance that the university can buy on its own property outside the reactor, except for one special instance. Since the insurance companies will take the risk of insuring any other person anywhere in the United States, Canada, or Mexico against the damage from a runaway reactor, the Joint Committee could not see where there was any change in what they are insuring, if it also covered the property of the persons indemnified. However, this is a variance on the concept of public liability. Therefore, the statutory coverage is not extended to this property unless it is extended in the insurance itself. With this extension, those companies that we want to encourage to enter the atomic energy field would, with respect to the properties located away from the reactors, be in a worse position than their neighboring properties. The Joint Committee thought that this solution gave them the same treatment as the surrounding properties.

Of course, the same result can be achieved by having the reactor built and operated by a separate corporation. I am raising this point at this time because I believe, as an insurance man, that this facet of the program should be thoroughly discussed.

I believe that this bill is most important to the future of the atomic energy industry. The Joint Committee has carefully examined all the angles with respect to the bill and we believe it as sound as possible and very necessary.

The Joint Committee on Atomic Energy has followed the operation of reactors ever accidents—one was the Chalk River reactor incident causing any lost time of personnel. There have been only three reactor accidents—one was the Chalk River reactor in Canada; one was the accidental meltdown of the EBR-2 at Idaho; one was the deliberate pushing of the Borax experiment to rupture. In no case was any person hurt. None of those had any containment features now used around reactors.

In addition, the Joint Committee requested the Atomic Energy Commission to have some of its experts make a study of the possibility that a reactor incident could occur. These scientists have made a report which contains several important features. First of all, they agree that a reactor would not explode like an atomic weapon. Second, they believe that the possibility of a meltdown of the reactor, which would cause damage outside of the containment structure, is relatively remote.

Before the Joint Committee, the Atomic Energy Commission testified:

"Nuclear reactors have been operated in the United States since December 2, 1942, with a safety record better than that of other industry. More than 100 reactor-years of regular operating experience have been accumulated, including inventories of fission products, without a single personal injury and no significant deposition of radioactivity outside of the plant area. There have been a few accidents with research reactor installations as contrasted with the perfect record of safety of the regularly operating reactors. But even these accidents with research and experimental reactors did not affect the public."

There have been some criticisms leveled at the indemnity program. I will try to answer them as best I can.

In the first place, before there would be any call on the Government there would have to be some incident which would affect all of the safety controls which are built into the reactor and which would result in damage outside of the reactor, exceeding the amount of financial protection required. In order to do this, damage within the reactor would have to be so great that it would break through the containment structure usually required around reactors. In all the years of its operating experience, the Commission has never had an accident in any of its reactors which has even approached this magnitude. Indeed, there hasn't been a single incident in a reactor which has caused personal injury great enough to cost lost time. Those reactor incidents which have occurred have merely affected the reactor itself, and even then the damage has not been extensive.

However, if you take all of the remote incidents, it is possible to imagine a radioactive cloud could escape which could effect considerable damage. It is against this remote possibility that the Joint Committee is concerned. In the first place, the Joint Committee desires to afford financial protection to the public against this kind of a situation, as well as to see that everything reasonable is put in the statute to assure that the situation does not arise.

The best estimate of all who are concerned with the field is that the Government will probably never have to make any payments under this statute. The small possibility of these very large damages has concerned those who would participate in the field to the point where this kind of protection is necessary for them, in order to have the field go forward.

In addition to the scientific safeguards, which are known, this bill also provides some legal safeguards. One of the basic assumptions of the insurance industry, in putting together their large pools for the insuring of reactors, has been that there will be a Reactor Safeguards Committee within the Commission. By this bill, the Joint Committee seeks to make that Committee a statutory committee and to have it pass on safety of reactors as they are proposed and constructed. By making it a statutory committee, the Joint Committee hopes to give this Reactor Safeguards Committee permanent standing and prestige. The legislation, at the same time, would make the reports of the Reactor Safeguards Committee public and would require that there be hearings on the reactor applications, which would either be commercial, or those looking toward the demonstration and practical value, or testing reactor. Thus, the Joint Committee has tried to see that there are all the reasonable statutory provisions necessary to insure the safety of reactors.

Some have claimed that this indemnity is an additional subsidy to the private industry. I do not see it that way at all. I have favored having the Government build reactors. I have also favored having the Government assist private industry in the reactor development program. This indemnity insurance will help industry, whether it is participating in the Government program either as a contractor, or in the private program as a licensee. For the purposes of this statute, it does not matter whether the atomic energy program is carried forward by

private licensees or by Government operations. In either event the private contractors have to supply the necessary materials and parts and the public does stand a chance of being injured. This bill would establish an indemnity procedure applicable either way, save for the very few indemnities on the very large and relatively more dangerous production reactors which are now granted indemnity by the President, acting under the powers under the Atomic Energy Act.

The others who participate under Government contracts, and this includes those who construct, design, and furnish parts for, testing reactors and the research reactors and the prototypes, do not receive this indemnity but have received an indemnity under the Government contracts which is primarily based on the availability of funds. If this bill should not pass, not only will the entire atomic energy program, the entire demonstration program, be immediately halted, but another Government program of complete Government ownership, complete Government construction, and complete Government operation, would have to take its place with the only inherent powers in the Commission to grant indemnities which are presently subject to the availability of future funds. This is not a sound way to reach the problem, either from the point of view of citizens who might be injured, but from the point of view of those who will be asked to participate, whether the program is public or private.

In summary, this legislation which is before you today was suggested after thorough study by the Joint Committee, extending over two separate sessions of Congress. By providing indemnity instead of reinsurance, it keeps the Government out of the insurance business and, at the same time, provides adequate protection for those persons who might unfortunately be hurt in the development of this industry.

I should tell you that the Atomic Energy Commission favors this legislation. On June 5, they wrote to Mr. Durham, stating, and I read the most pertinent sentence:

"Although we would prefer to continue the Advisory Committee on Reactor Safeguards in its present status, as indicated by our letter of January 4, 1957, to Senator ANDERSON, we feel that in view of the urgent need for indemnity legislation, the enactment of S. 2051 or H. R. 7383 is of paramount importance."

I should also state that the President, in his budget message, said:

"As a further and necessary step to facilitate industry's investment in atomic powerplants, legislation will again be proposed to authorize the Government to supplement commercially available insurance against liability arising from possible nuclear accidents."

This legislation has been approved both last year and this year by the Joint Committee. Last year there was one vote against this legislation. This year, with one member abstaining from voting, there was no vote against the legislation. It is believed that this legislation is in the best interests of all concerned, both for the protection of the public and to assure that those who will participate in the program will not suffer any undue risks from nuclear incidents. I believe that the bill is sound and should be passed.

The premiums which the private companies will be obtaining for their third party insurance appear to be rather expensive. The Commonwealth Edison Co. has been quoted $250,000 annual premium on a 630,000 thermal kilowatt reactor. The Yankee Atomic Electric Co. has been quoted an annual premium of $130,000 on an atomic reactor of a capacity of 480,000 thermal kilowatts. The Elk River Cooperative has been quoted a premium of $69,430 an as annual premium on a reactor which will generate 58,000 thermal kilowatts. The General Electric Co., for its pilot plant at Vallecitos, Calif., has been quoted a premium of $67,000 on its 12,000 thermal kilowatt reactor. The Armour Research Foundation has been quoted a figure of $59,000 annual premium on a research reactor of only 50 thermal kilowatts capacity, and the Battelle Memorial Institute has been quoted an annual premium of $50,500 on a reactor capable of generating only 1,000 thermal kilowatts. All these figures have been quoted for $50 million of insurance each. We have been informed that these rates are subject to redetermination at the end of a 10-year period. If, by 10 years, there should not have been any loss for which the insurance companies would have to pay there would be rebates to these people up to two-thirds or three-fourths of the annual premiums. The balance would go for administrative expenses, such as underwriters' inspections.

I want to give you these figures primarily for your background information.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 7383) was read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2051 is indefinitely postponed.

SUPPLEMENTAL APPROPRIATIONS, 1958

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1006, House bill 9131. Mr. President, let me say that the purpose in having the Senate take up the bill at this time is to have it made the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 9131) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H. R. 9131) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its session this evening, it adjourn until Monday, at 12 o'clock noon.

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

LIMITATION ON STATEMENTS DURING MORNING HOUR ON MONDAY

Mr. MANSFIELD. Mr. President, when the Senate meets on Monday there will be, under the rule, the customary morning hour for the introduction of bills and the transaction of other routine business. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

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

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the benefit of the information of the Senate, let me state that, in addition to the supplemental appropriation bill, the following measures will be considered on Monday.

Calendar No. 389, Senate bill 25, relating to effective dates of increases in compensation granted to wage board employees.

Calendar No. 872, Senate bill 1746, relating to the conveyance of property in Gulfport, Miss.

Calendar No. 874, House bill 1953, relating to checks from the Veterans' Administration.

Calendar No. 875, House bill 2237, relating to the transfer of property in Johnson City, Tenn.

Calendar No. 876, House bill 3658, relating to eligibility of widows for benefits.

Calendar No. 877, House bill 4098, relating to the conveyance of land in Los Angeles.

Calendar No. 878, House bill 5757, relating to charges for shipping veterans' property.

Calendar No. 879, House bill 5924, relating to the importation of commercial samples.

Calendar No. 880, House bill 8705, relating to the importation of articles for exhibition at the St. Lawrence seaway celebration.

Calendar No. 881, House bill 2842, relating to the free importation of certain tanning extracts.

Calendar No. 888, Senate bill 2757, relating to the construction of works at Burns Creek, in Idaho.

Mr. President, notice has previously been given that a call of the calendar will be had on Tuesday. But if the respective calendar committees are ready, we shall consider some of the items on the calendar on Monday.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 16, 1957, he presented to the President of the United States the following enrolled bills:

S. 1383. An act amending section 410 of the Interstate Commerce Act, to change the requirements for obtaining a freight forwarder permit; and

S. 1384. An act to revise the definition of contract carrier by motor vehicle as set forth in section 203 (a) (15) of the Interstate Commerce Act, and for other purposes.

ADJOURNMENT TO MONDAY

Mr. DIRKSEN. Mr. President, I move that the Senate adjourn.

The motion was agreed to; and (at 8 o'clock and 5 minutes p. m.) the Senate adjourned, the adjournment being,

under the order previously entered, until Monday, August 19, 1957, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 16, 1957:

DEPARTMENT OF DEFENSE

Dr. Paul Darwin Foote, of the District of Columbia, to be an Assistant Secretary of Defense.

UNITED STATES DISTRICT JUDGE

Roby C. Thompson, of Virginia, to be United States district judge for the western district of Virginia, vice Alfred D. Barksdale, retired.

DEPARTMENT OF COMMERCE

The following-named persons to be Examiners in Chief in the Patent Office of the Department of Commerce:

Peter T. Dracopoulos, of Maryland, vice Mark Taylor, resigned.

Harry Surle, of Maryland, vice Eugene W. Geniesse, resigned.

COLLECTORS OF CUSTOMS

The following-named persons to the positions indicated:

Robert W. Dill, of New York, to be collector of customs for customs collection district No. 10, with headquarters at New York, N. Y. (Reappointed.)

W. Rae Dempsey, Jr., of Maryland, to be collector of customs in customs collection district No. 13, with headquarters at Baltimore, Md. (Reappointment.)

John E. Paterson, of Alabama, to be collector of customs for customs collection district No. 19, with headquarters at Mobile, Ala. (Reappointment.)

James P. Winne, of Hawaii, to be collector of customs in customs collection district No. 32, with headquarters at Honolulu, T. H. (Reappointment.)

Olivia C. Erpenbach, of Minnesota, to be collector of customs in customs collection district No. 35, with headquarters at Minneapolis, Minn. (Reappointment.)

Harry Edwards, of New York, to be surveyor of customs in customs collection district No. 10, with headquarters at New York, N. Y. (Reappointment.)

PUBLIC HEALTH SERVICE

The following candidate for personnel action in the regular corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

To be senior surgeon

William F. Mayes

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be ensign

Ronald M. Buffington
Jerome P. Guy
Mart Kask

IN THE ARMY

Col. John R. Jannarone, O21053, for appointment as professor of physics and chemistry, United States Military Academy, under the provisions of title 10, United States Code, section 4333.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, section 3294, as amended by Public Law 497, 84th Congress; title 10, United States Code, section 3291, as amended by Public Law 294, 84th Congress; title 10, United States Code, section 3311; title 10, United States Code, section 3292 and Public Law 737, 84th Congress:

To be lieutenant colonels

Jessel, James R., DC, O1934404.
Rush, Jack T., MC, O1941860.
Watkins, Dale V., MC, O443573.

To be majors

Burke, Allyn D., DC, O1785064.
Keeton, Melvin, DC, O1745124.
Otto, Wayne R., MC, O4022577.
Wild, John J., MC, O981825.

To be captains

Alexander, Joseph L., MC, O5500068.
Alling, Emery E., Jr., DC, O4040548.
Bittlingmaier, Walter H., DC, O2267387.
Clifford, Arthur G., DC, O4043412.
Crowe, Patrick D., DC, O4023055.
Davis, Quince B., DC, O2267605.
Fulton, Nolen W., Jr., MC, O2276549.
Garcia-Torrado, Millan, Jr., MC, O1685420.
Groshong, David L., MC, O2273767.
Howe, Michael J., DC, O1941752.
Keller, Edward S., MC, O703751.
Kohen, Joseph B., Jr., MC, O2202412.
Kono, Tom M., DC, O981007.
Kopack, Francis M., MC, O4045184.
Mitchell, George L., MC, O4073758.
Morgan, Samuel C., DC.
Nealey, Everett T., DC.
Norton, Wayne L., MC.
Sawyer, William D., MC, O4055740.
Spillman, James B., II, MC, O4034694.
Stephens, John D., DC, O1052195.
St. Louis, Joseph A., Jr., MC, O2275402.
Tynes, Dwight L., DC, O1942282.
Valkavich, Eugene S., DC, O4039537.
Waldman, Sheldon, MC, O4068051.
Wells, Benjamin T., MC, O1940136.

To be first lieutenants

Anderson, Linnette M., ANC, N901548.
Blundell, Mary L., AMSC, R2594.
Brennan, Terrance R., MC.
Dewar, Betty J., ANC, N797013.
Eisenberg, Myron M., MC.
Hagarty, Catherine R., ANC, N805328.
Hair, Walter W., MC, O2282657.
Hankins, Cecile J., ANC, N797164.
Hughes, Charles L., DC, O2284656.
Humphries, David S., MC.
Hutchins, Dale W., DC, O2287063.
Hutchison, Byron F., DC, O2284576.
Mast, David, DC.
McCoy, Robert E., DC, O1930229.
McGeown, John R., DC.
Nakamoto, Annie C., ANC, N805410.
Newman, Richard A., MC, O5500079.
Nouchi, Mitsue M., ANC, N805136.
Reister, Raymond A., JAGC, O2284023.
Rushford, Charles B., Jr., DC.
Spaulding, Leland C., MC.
Stiny, Constantine P., MC.
Tsagaris, George J., DC.
Turner, Daniel R., MC.
Van Harn, Mary A., AMSC, M2966.
White, Lera A., ANC, N900244.
Wilson, James R., MC.
Woutersz, Theodore B., MC, O4071093.
Young, William K., DC.

To be second lieutenants

Halbert, Mary J., WAC, L1010892.
Hess, Anne M., WAC, L1010903.
Kirk, Frances J., WAC, L1020250.
Mullen, Sally A., ANC, N902831.
Olson, Marilyn C., AMSC, R2728.
Rodgers, Elizabeth I., ANC, N902000.
Still, Louise J., ANC, N902478.

The following-named persons for appointment as chaplains in the Regular Army of the United States, in the grades specified, under the provisions of Public Law 737, 84th Congress:

To be captains

Carothers, Merlin R., O2269240.
Kildall, Wayne F., O2267126.
Wallace, Francis X., O992128.
Wessman, Willis W., O994490.

To be first lieutenants

Anderson, Robert T., O2273914.
Keys, Clifford E., Jr., O2272284.
Paul, Harold J., O2273991.
Schweitzer, Gordon M., O2271706.
Sodawasser, Ardell A., O2274607.

The following-named officers for appointment, by transfer, in the Regular Army of the United States, without specification of branch, arm, or service, in the grades specified:

To be captain

Watt, William A., O63742.

To be first lieutenant

Stearns, Clarence L., O73081.

The following-named persons for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of Public Law 737, 84th Congress:

Davis, John R., O4031453.
Loeffke, Bernardo, O2289182.
Murphy, George E., O4010809.
Summers, Harry G., Jr.

The following-named distinguished military students for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of Public Law 737, 84th Congress:

Burns, Wendell G.
Dorrough, Earnest L.
Wallace, Norman G.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of Public Law 737, 84th Congress:

Acosta-Rosario, Rafael B.
Adams, Don T.
Archer, Caleb J.
Atkeson, Thomas L.
Bagdanov, James L.
Barber, Leroy F., Jr.
Burkhardt, Arthur W.
Cooper, Jerry L.
Crandall, Robert L.
Cummins, William, Jr.
Danno, Ronald M.
Davenport, David C.
Deaton, Alva W.
Dickinson, Roy B.
Dickson, David J.
Dillon, Donald D.
Dorchester, John D., Jr.
Emerson, Richard D.
Ensley, George H., Jr.
Ford, James F.
Hazel, Wiley S., Jr.
Heatzig, William G.
Herbert, Curtis B., III
Hughes, Francis A.
Johansen, John M.
Johnson, Ransom, Jr.
Langley, James C.
Larson, Ronald D.
Lehmann, Freddie E.
Leins, David V., Jr.
Lowe, James L., Jr.
Lowe, John M.
Marciniak, John J.
Martin, Boyce F., Jr.
Mason, Thomas R.
Matthews, Allan L., Jr.
McCulloch, David V.
McDonald, William E.
McFee, William W.
McIntosh, Bernard W.
McNew, James C., Jr.
Montgomery, John C.
Murray, Owen P.
Neilson, Russell W.
Oates, David T.
Paris, William
Potter, Willard L.
Quinn, James M.
Rehusch, Kenneth S.
Riebel, David L.
Rives, William T., Jr.
Scarborough, Edward
Sera, George N.
Sibley, Robert A.
Stone, Frank N.
Thomas, Charles D.
Thompson, James E., Jr.
Travis, Charles E., Jr.
Valverde-Lara, Fernando E.
Van Cleave, Henry D., Jr.
Vite, Gerald C.
Wade, Merle L.
Walker, Jack A.
Wallace, Wayne G.
Webb, Robert H., Jr.
Williams, Lavester L.
Wilson, Patrick J.
Winger, Norman
Witsell, Edward L.

IN THE NAVY

The following-named Reserve officers to the grades indicated in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

To be captain

James S. Webb, Jr.

To be commander

Roderick F. C. McPherson

To be lieutenants

Charles F. Aquadro
Robert D. Belser
Robert A. Burke
William E. Carson
Domenic F. Coletta
Eugene C. Crisler
Harold N. Dean
Donald R. Dicus
Raymond D. Dyer, Jr.
Abel R. Ellingson
Leonard H. Ensign
Richard A. Field
Pierre J. Fisher, Jr.
Louis A. Herrmann
Charles H. Lahr, Jr.
Thomas F. Miller, Jr.
Hugh S. Pratt, Jr.
Richard B. Simpson
Charles G. Spradley
John M. Tarle
Robert J. VanHouten

The following named (civilian college graduate) to the grades indicated in the Medical Corps of the Navy, subject to qualification therefor as provided by law:

To be lieutenant commander

Fred W. Richardson

To be lieutenant

Clarence E. Gossett

Robert E. Shirley (civilian college graduate) to be a lieutenant in the Dental Corps of the Navy, subject to qualifications therefor as provided by law.

Kenton T. Bradley (civilian college graduate) to be a lieutenant in the Dental Corps of the Navy, and to be promoted to the grade of lieutenant commander when his line running mate is so promoted, subject to qualifications therefor as provided by law.

John R. Laverine (civilian college graduate) to be a lieutenant (junior grade) in the Dental Corps of the Navy, and to be promoted to the grade of lieutenant when his line running mate is so promoted, subject to qualifications therefor as provided by law.

The following-named Reserve officers to be lieutenants in the Dental Corps of the Navy, subject to qualifications therefor as provided by law:

John "T" Anderson
Robert D. Cullom
Arthur L. Davy
Eugene S. Dvorovy
Sidney Raybin
Ralph E. Sand
James E. Shuffield
Maurice E. Westcott
Jesse L. Yarbrough

Charles H. Cornelison, chief petty officer to be a chief warrant officer, W-2, in the United States Navy, for temporary service, subject to qualifications therefor as provided by law.

The following-named officers for temporary or permanent appointment to the grade indicated in the line of the Navy, subject to qualifications therefor as provided by law:

The following named for temporary appointment:

To be lieutenants

William B. Abbott III
Joseph A. Adams
Douglas A. Allen
David W. Anderson
Daniel F. Anglim, Jr.
Robert J. Atkinson
John L. Bacon
Kenneth R. Bailey, Jr.
Clifford L. Bekkedahl
Willoughby C. Blocker
Lawrence F. Bowman
Fred J. Breaux, Jr.
Cloyde I. Brown
William P. Bunnell
Roland G. Busch, Jr.
Archie P. Butler, Jr.
Charles A. Butler
Anton M. Campanella
Edward L. Campbell
James B. Campbell
Joseph J. Carosia
Perry Carvellas
Michael Cashman II
Thomas H. Cave
John R. Clarke
David M. Cooney
Thomas S. Councell
James D. Crain
Charles W. Dalton
David W. DeCook
Roland H. Dubois
Joseph A. Duffy, Jr.
Crawford A. Easterling
Robert S. Eberhart
William H. Fleischmann, Jr.
Charles A. George, Jr.
Bruce G. Goodwin
Clarence H. Greff, Jr.
Andrew U. Hassman, Jr.
Lloyd B. Havird
Waldo L. Heasley
Raymond A. Helgemoe
James M. Hoye II
Samuel W. Hubbard, Jr.
Herbert P. Hunter
Robert N. Jenkins
Thomas A. Jewell
Oren D. Johnson
Robert C. Kelpe
Richard E. Kemble
William R. King
Richard T. Klabo
Jack T. Kneeland
Joseph L. Kniely
Glenn E. Kollmann
Robert P. Kramer
Ronald M. Lauber
Richard D. Longman
Robert E. Lynn
Donald L. McConnell
William E. McCormack
Raymond T. McDonald
Lawrence H. McGlone
Preston McLaird, Jr.
Robert E. Malaney
Donald J. Mattson
James A. Meacham
Richard J. Miller
William L. Miller
Houston M. Morgan
Richard Nielsen
Donald E. Pauly
Roger E. Perry, Jr.
Richard N. Peterson
Anthony P. Pirrone
Robert R. Raynes
Robert D. Reymond
Frederick A. Rodgers
William H. Saunders, III
Clinton S. Seibert
Olin J. Shuler
Paul J. Smith, Jr.
Robert E. Spaulding
Gerry L. Stark
William B. Stocking
Joseph E. Sullivan, Jr.
Patrick G. Sullivan
Walter F. Sullivan
Richard F. Taylor
Robert J. Thomas
Donald Warthen
Wyatt P. Watson
Alan L. Weeks
Robert A. Wheeler
Don J. Whittaker
John T. Williams
Robert E. Woodbury
Carl E. Wynn, Jr.

To be lieutenants (junior grade)

Allan L. Atkins
Fredrik S. Blackmar III
Peter P. Bowler
Dale E. Buxton
Charles N. Caricofe
Gary M. Cleveland
Paul O. Cutchen
Robert G. Davis
Peter J. Doerr
William R. Dorow
Gregory P. Dowd
James C. Edwards
William P. Egan
Forrest H. Goodman
Andrew J. Goodwin, Jr.
Richard L. Grant
Elwood N. Harper
John A. Johnson
John R. Knight, Jr.
Ronald S. Knowlton
Donald A. Kohloff
Donald C. Lipster
Louis A. Loynes
William P. Lyons
Charles E. McKenna
Gale A. McKinney
Kerry W. Mirise
Ronald J. Molloy
Thomas J. Moran
James F. Murphy
William J. Overman, Jr.
Jimmie D. Oyler
John M. Peoples, Jr.
Willis F. Potter
Robert W. Ritchie
William A. Rockwell
James F. Roth
Philip M. Shannon
Arthur R. Skelly
Harry J. Smith, Jr.
Adrian D. Spees
Donald M. Sumner
John C. Tibbs
William E. Vanoy
Harry D. Veland
Grant J. Villemaire, Jr.
Wayne H. Wallis
William R. Wilson

The following-named for permanent appointment:

To be lieutenants

Donald H. Campbell
Fred J. Fleiner
James M. Ford, Jr.
Harold F. Griffith
Donald B. Leach
Charles G. McGuigan, Jr.
Thomas O. Nutt, Jr.
Russell A. Rowan, Jr.
John S. Storm

To be lieutenants (junior grade)

William B. Abbott III
Joseph A. Adams
George A. Aitcheson, Jr.
Norman Albertson
Douglas A. Allen
David W. Anderson
Daniel F. Anglim, Jr.
Robert J. Atkinson
Harvey Aubuchon
John L. Bacon
Kenneth R. Bailey, Jr.
George L. Baxter, Jr.
David A. Bayer
Marshall V. Bittick, Jr.
Willoughby C. Blocker
Edward E. Borter
David H. Bowling
Lawrence F. Bowman
William K. G. Braun
Fred J. Breaux, Jr.
Dennis L. Brooks
James R. Buckley
Howard L. Bullman
William P. Bunnell
Roland G. Busch, Jr.
Archie P. Butler, Jr.
Charles A. Butler
Harold E. Butler
Anton M. Campanella
Edward L. Campbell
James B. Campbell
John W. Cane
Cornelius J. Carmody
Joseph J. Carosia
Michael Cashman II
Thomas H. Cave
John R. Clarke
John J. Connelly
David M. Cooney
Thomas S. Councell
Frederick P. Crosby
Charles W. Dalton
David W. DeCook
Roland H. Dubois
Joseph A. Duffy, Jr.
Thomas E. Dunlop
Crawford A. Easterling
William H. Fleischmann, Jr.
Ruel E. Gardner
Charles A. George, Jr.
Joseph P. Gleason
Jerry D. Godwin
Bruce G. Goodwin
Clarence H. Greff, Jr.
Andrew U. Hassman, Jr.
Stanley L. Havens
Benjamin F. Haverfield
Lloyd B. Havird
Waldo L. Heasley
Raymond A. Helgemoe
Peter J. Hernan
Charles D. Hill
Luther C. Holder
James M. Hoye II
Herbert P. Hunter
Robert K. Jellison
Robert N. Jenkins
Thomas A. Jewell
Robert C. Kelpe
Richard E. Kemble
William R. King
Richard T. Klabo
Jack T. Kneeland
Joseph L. Kniely
Glenn E. Kollmann
Robert P. Kramer
Robert J. Landers
Ronald M. Lauber
Raymond P. LeClerc
Richard D. Longman
Robert E. Lynn
William C. McAdoo
Donald L. McConnell
William E. McCormack
Lawrence H. McGlone
Preston McLaird, Jr.
Robert E. Malaney
John V. Markoskie
Jack L. Marshall
Wilbur W. Marshburn
Richard A. Martini
Ralph A. Mason, Jr.
Donald J. Mattson
James A. Meacham
Hal Y. Miller, Jr.
Richard J. Miller
William L. Miller
Harrison M. Moore
Charles W. Nelson, Jr.
Lawrence R. Nelson
Paul F. O'Dea
Donald E. Pauly
Henry F. Peacock
Roger E. Perry, Jr.
Richard N. Peterson
Anthony P. Pirrone
Ronald E. Pitkin
Robert L. Pritscher
Robert R. Raynes
Franklin W. Reese III
Roland J. Rhoades
Donald W. Richards
James M. Rickly
Frederick A. Rodgers
Hardy N. Rose
Edward Sanford
William H. Saunders III
Vincent J. Schuppert
Clinton S. Seibert
James W. Shoemyer
Myron A. Skubinna
Richard Simia
Paul J. Smith, Jr.
George M. Snow
Sherman R. Snyder
Richard A. Spargo
Robert E. Spaulding
Gerry L. Stark
William B. Stocking
Patrick G. Sullivan
Walter F. Sullivan
Robert J. Switzer
Jeremy R. Tappan
Robert J. Thomas
Clifford O. Thompson
Howard J. Walter
Conrad J. Ward
Donald Warthen
Wyatt P. Watson
Robert A. Wheeler
Don J. Whittaker
John M. Will, Jr.
John T. Williams
Robert E. Woodbury
Carl E. Wynn, Jr.
William A. Yoder
Newton C. Youngblood

To be ensigns

Allan L. Atkins
Fredrik S. Blackmar III
Peter P. Bowler
Dale E. Buxton
Charles N. Caricofe
Gary M. Cleveland
George E. A. Cullinane
Paul O. Cutchen
Robert G. Davis
Peter J. Doerr
William R. Dorow
Gregory P. Dowd
Gerald C. Eckermann
James C. Edwards
William P. Egan
Forrest H. Goodman
Andrew J. Goodwin, Jr.
Richard L. Grant
Elwood N. Harper
John A. Johnson
Robert E. Karas
John R. Knight, Jr.
Ronald S. Knowlton
Donald A. Kohloff
Donald C. Lipster
Louis A. Loynes
William P. Lyons
Charles E. McKenna
Gale A. McKinney
Kerry W. Mirise
Ronald J. Molloy
Thomas J. Moran
James F. Murphy
William J. Overman, Jr.
Jimmie D. Oyler
John M. Peeples, Jr.
Willis F. Potter
Joseph R. Pritchard
Robert W. Ritchie
William A. Rockwell
James F. Roth
Kay Russell
Philip M. Shannon
Arthur R. Skelly
Harry J. Smith, Jr.
Adrian D. Spees
Donald M. Sumner
John C. Tibbs
William E. Vanoy
Harry D. Veland
Grant J. Villemaire, Jr.
Wayne H. Wallis
William R. Wilson

The following-named officers for temporary or permanent appointment to the grade indicated in the line of the Navy (special-duty law), subject to qualifications therefore as provided by law:

The following-named for temporary appointment:

To be lieutenants

Charles A. Cahill.
Owen L. Cedarburg.
Floyd E. Kellam, Jr.

The following-named for permanent appointment:

To be lieutenants

Nicholas R. Bach
John P. Dunbar

To be lieutenants (junior grade)

Owen L. Cedarburg
Floyd E. Kellam, Jr.

To be ensign

Charles A. Cahill

The following-named women officers to the grade indicated in the line of the Navy, subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

To be lieutenants (junior grade)

Carol Y. Allen
Marjorie L. Bennett
Beverly W. Frost
Geraldine M. Osada
Anna L. Steenburgen
Lucy E. Zierdt

The following-named for permanent appointment:

To be lieutenants (junior grade)

Frances F. Forsey
Mary A. Gerhart
Helen E. Weaver

To be ensigns

Carol Y. Allen
Marjorie L. Bennett
Beverly W. Frost
Susanna Murray
Geraldine M. Osada
Anna L. Steenburgen
Lucy E. Zierdt

The following-named officers for temporary or permanent appointment to the grade indicated in the Medical Service Corps of the Navy, subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

To be lieutenants

Lloyd M. Ash
Richard V. Diener
Philip E. Jones
Robert B. Voas

The following-named for permanent appointment:

To be lieutenant

Joseph G. McWilliams

To be lieutenants (junior grade)

Lloyd M. Ash
Richard V. Diener
Philip E. Jones
William F. O'Connor
Robert B. Voas

The following-named officers for temporary or permanent appointment to the grade indicated in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

To be lieutenants

Donald J. Bunker
Oliver W. Hamilton, Jr.
Roy E. Hopgood
Donald R. Kreutzinger
Charles Lang, Jr.
Gary C. Leighty
John C. Lewis
William E. Lindsay
Theodore Mija
William R. Moyer
John F. Newman
Robert L. Normand
Carl S. Quinn
Thomas L. Schanz
Sidney J. Teaford
Donald A. Tesch

To be lieutenants (junior grade)

Regis G. Dugue
John F. Hamilton
Lester D. Hayes, Jr.

The following-named for permanent appointment:

To be lieutenants

Calvin R. Anweiler
Stanley J. Conrad.
Joseph A. Puleo
Allan L. Segal

To be lieutenants (junior grade)

Cletus W. Bodart
Boyd F. Brown, Jr.
Donald J. Bunker
Rollin J. Cocking
Edward W. Colbourn
Earl E. Goodwin
Oliver W. Hamilton, Jr.
Roy E. Hopgood
Frank S. Jacobs
Arthur P. Jones, Jr.
Darrell G. Kemper
Donald R. Kreutzinger
Charles Lang, Jr.
Merrill M. LeBlanc
Gary C. Leighty
John C. Lewis
William E. Lindsay
Roderick D. McDaniel
Theodore Mija
Lawrence W. Minuth
William R. Moyer
Robert L. Normand
Carl S. Quinn
Sidney J. Teaford
Donald A. Tesch

To be ensigns

Regis G. Dugue
John F. Hamilton
Lester D. Hayes, Jr.
Gerald D. Langer

Janice R. McMorrow, Reserve officer for appointment in the Supply Corps in the Navy in the permanent grade of ensign and in the temporary grade of lieutenant (junior grade), subject to qualifications therefor as provided by law.

The following-named officers for temporary or permanent appointment to the grade indicated in the Chaplain Corps of the Navy, subject to qualifications therefor as provided by law:

The following-named for temporary appointment:

To be lieutenants

Ervin D. Ingebretson
Norman E. Winterhoff

The following-named for permanent appointment:

To be lieutenants

Wayne N. Detrick
Thomas A. Kenny
Peter P. Romantum
Valery E. Sundt

To be lieutenants (junior grade)

Ervin D. Ingebretson
Norman E. Winterhoff

The following-named officers for temporary or permanent appointment to the grade indicated in the Civil Engineer Corps of the Navy, subject to qualifications therefor as provided by law:

The following named for temporary appointment:

To be lieutenants

Edward H. Belton
Robert T. Field
Charles Geoly
LeRoy D. Lawson
Austin H. Montgomery, Jr.

To be lieutenants (junior grade)

James E. Ford
Henry E. Keppel, Jr.
Gene S. Taglienti

The following named for permanent appointment:

To be lieutenant

William C. Carroll

To be lieutenants (junior grade)

Edward H. Belton
Robert T. Field
Charles Geoly
Fred O. Leavitt
Eugene G. Lindley
Austin H. Montgomery, Jr.
Thomas J. O'Brien
George E. Plante
Ralph S. Stedman, Jr.
James L. Uhe

To be ensigns

James E. Ford
Henry E. Keppel, Jr.
Gene S. Taglienti

The following-named officers for temporary or permanent appointment to the grade indicated in the Nurse Corps of the Navy, subject to qualifications therefor as provided by law:

The following named for temporary appointment:

To be lieutenants

Mary L. Bove
Louisa F. Brooks
Kathryn M. Copic
Elizabeth M. Donnelly
Mary A. LaFemina
Norine L. Muhle
Pauline F. Prest
Bette A. Rebick
Janet M. Redgate
Natalie T. Sampson
Gloria M. Steffens
Charlotte R. Stone
Ellen J. Stowell

To be lieutenant (junior grade)

Marilyn H. vonFreuden

The following-named for permanent appointment:

To be lieutenants

Geraldine M. Carey
Leona L. Erdt
Ursula M. Fox
Evelyn I. Hegarty
Sara C. Jolley
Katherine M. Murphy
Adeline Nicora
Ruth E. Robertson

To be lieutenants (junior grade)

Mary L. Bove
Louisa F. Brooks
Kathryn M. Copic
Elizabeth M. Donnelly
Vivian P. Guay
Mary A. LeFemina
Norine L. Muhle
Pauline F. Prest
Beatrice A. Rancourt
Bette A. Rebick
Janet M. Redgate
Natalie T. Sampson
Gloria M. Steffens
Charlotte R. Stone
Ellen J. Stowell

To be ensign

Marilyn H. vonFreuden

The following-named women officers to be permanent lieutenants in the line of the Navy, in lieu of permanent lieutenants (junior grade) as previously nominated and confirmed to correct grade subject to qualifications therefor as provided by law:

Betty J. Dew
Nancy J. Ellifrit
Betty J. Hill
Margaret J. Merritt

The following-named officer of the Navy for permanent promotion to the grade indicated:

To be commander, Dental Corps

Joseph J. Hoyt

The following-named officer for permanent promotion to the grade of lieutenant (junior grade) in the Medical Service Corps of the Navy, subject to qualification therefor as provided by law:

Douglas E. Haggin

The following-named line officer for temporary promotion to the grade of lieutenant in the Navy, subject to qualification therefor as provided by law:

Robert E. Kirksey

The following-named officer for permanent promotion to the grade of lieutenant (junior grade) in the line of the Navy, subject to qualification therefor as provided by law:

Patrick P. Marsha, Jr.

IN THE MARINE CORPS

The following-named Reserve officers for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Fred H. Berry, Jr.
Stephen Bosbonis
Kenneth P. Crandall
Louis A. Driggers
James S. Gahagan
John D. Ingraham
Edward P. Janz
John R. Koch
Robert H. Moore

The following-named Reserve officers for temporary appointment to the grade of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Fred H. Berry, Jr.
Stephen Bosbonis
Kenneth P. Crandall
Louis A. Driggers
James S. Gahagan
John D. Ingraham
Edward P. Janz
John R. Koch
Robert H. Moore

The following-named Reserve officers for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

George N. Bailey, Jr.
Lloyd W. Barry
Karlton L. Batt
Robert C. Baughman
Howard E. Boddy
George F. Boemerman
Augustus E. Brewer
Ralph E. Brubaker
Gerald W. Cassidy
Richard C. Conway
Thomas D. Cooney
Kenneth D. Curry, Jr.
Neal L. Derickson
Donald E. Dilley
Philip L. Elliott
Gordon P. Emery
Raymond K. Ferwerda

Russell W. French
William J. Gash
Walter E. Grayum
Charles E. Griggs
Joseph W. Hazen
William E. Helfrich
Lyell H. Holmes
Phillip M. Jacobs
Homer P. Jones
Jack V. Kaup
William H. Kimes III
Ronald W. Klinglesmith
Paul P. Lapinski
Robert Marrero
Paul F. Melcher
Henry G. Miller, Jr.
Thomas A. Nalle, Jr.
Arthur A. Nelbach
Stephen Ondrako, Jr.
Billy E. Pafford
William Piper
Robert Plant
George E. Pratt
Leonard T. Preston, Jr.
Thomas S. Reap
Charles D. Robinson
Albert L. Sanders
Kenneth L. Scarborough
Wilbur E. Skinner
William R. Smith
James R. Throgmorton
Donald C. Treece
Donald E. Webb
Peter R. Worden

The following-named Reserve officers for temporary appointment to the grade of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

George N. Bailey, Jr.
Lloyd W. Barry
Karlton L. Batt
Robert C. Baughman
Howard E. Boddy
George F. Boemerman
Augustus E. Brewer
Ralph E. Brubaker
Gerald W. Cassidy
Richard C. Conway
Thomas D. Cooney
Kenneth D. Curry, Jr.
Neal L. Derickson
Donald E. Dilley
Philip L. Elliott
Gordon P. Emery
Raymond K. Ferwerda
Russell W. French
William J. Gash
Walter E. Grayum
Charles E. Griggs
Joseph W. Hazen
William E. Helfrich
Lyell H. Holmes
Phillip M. Jacobs
Homer P. Jones
Jack V. Kaup
William H. Kimes III
Ronald W. Klinglesmith
Paul P. Lapinski
Robert Marrero
Paul F. Melcher
Henry G. Miller, Jr.
Thomas A. Nalle, Jr.
Arthur A. Nelbach
Shephen Ondrako, Jr.
Billy E. Pafford
William Piper
Robert Plant
George E. Pratt
Leonard T. Preston, Jr.
Thomas S. Reap
Charles D. Robinson
Albert L. Sanders
Kenneth L. Scarborough
Wilbur E. Skinner
William R. Smith
James R. Throgmorton
Donald C. Treece
Donald E. Webb
Peter R. Worden

The following-named personnel for permanent appointment to the grade of second lieutenant for limited duty in the Marine Corps, subject to the qualifications therefor as provided by law:

John M. Bloodworth
Larry W. Bridges
John W. Butler
James U. Davidson
Wayne R. Dearth
Robert W. Hart, Jr.
Hubert Kohnen
James N. McCraner
Leroy D. McDorman, Jr.
David O. McGee
Frederick J. Robinson
Kenneth F. Seymour
William W. Smith
Leonard C. Waibel

The following-named (Naval Reserve Officers Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to qualifications therefor as provided by law:

Frederic H. Gerber

The following-named officers for temporary appointment to the grade of first lieutenant in the Marine Corps, subject to qualifications therefor as provided by law:

Louis R. Abraham
Denny N. Bearce
Jerry T. Bowlin
Brian T. Duffy
Ronald E. Dunn
Dean E. Edwards
Thomas W. Hancock, Jr.
Robert H. Jewell, Jr.
Frank P. Knight
William H. Long
James E. McDavid III
Richard C. Meserve
Robert S. Moore
Harvey J. Morgan
Carl W. Newton
Richard A. Noll
James B. Peters III
William L. Schneider
James M. Schmidt
Robert F. Sheridan
Robert P. Spaete
Orlo K. Steele
Walter L. Strain
Richard C. Yezzi

CONFIRMATION

Executive nomination confirmed by the Senate August 16, 1957:

THE AIRWAYS MODERNIZATION BOARD

Elwood R. Quesada, of California, Chairman of the Airways Modernization Board.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 16, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

God of all grace, in whom our fathers trusted and were not put to confusion, may we greet this new day with renewed energy and vigor and with minds and hearts inspired by the spirit of love and service.

Bless our President, our Speaker, and our chosen representatives who are laboring so earnestly and conscientiously for the peace and security of our beloved country and the good of all mankind.

Deliver us from all paralyzing fears and anxieties as we face the unknown tomorrows, for Thou art the companion of the lonely, the support of the weary, and the consolation of the sorrowing.

May we renounce all feelings of self-dependence and self-sufficiency and put our trust in the Lord God Omnipotent, whose wisdom is infallible and whose strength is invincible.

Give us a generous and gentle heart toward the needy, who have so little of joy, remembering that what we do unto the least of Thy children we are doing unto Jesus Christ, our Lord, who gave His all for us.

To Thy name we ascribe the praise and the glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1937) entitled "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."

PERSONAL EXPLANATION

Mr. HENDERSON. 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 Ohio?

There was no objection.

Mr. HENDERSON. Mr. Speaker, on rollcall No. 197, the motion to recommit the foreign aid appropriations bill with instructions to amend, I was recorded as not voting. It was necessary for me to catch a plane to fulfill a longstanding engagement to speak at Belpre, Ohio, last night and due to the lateness of the hour on which the rollcall was taken I was unavoidably absent. Had I been present I would have voted "no." On rollcall 198 which immediately followed I would have voted "no" and was properly paired against the bill.

AMENDMENT OF SECTION 812 (e) (1) (F) OF THE INTERNAL REVENUE CODE OF 1939

Mr. COOPER. Mr. Speaker, I have several bills that have been unanimously reported by the Committee on Ways and Means. I ask unanimous consent that following each bill I may extend my remarks on the bill; and that immediately following my remarks, the gentleman from New York [Mr. REED] may extend his remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 8881, to amend section 812 of the Internal Revenue Code of 1939, introduced by the gentleman from New York [Mr. REED], which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) section 812 (e) (1) (F) of the Internal Revenue Code of 1939 is hereby amended to read as follows:

"(F) Life estate with power of appointment in surviving spouse: In the case of an interest in property passing from the decedent, if his surviving spouse is entitled for life to all the income from the entire interest, or all the income from a specific portion thereof, payable annually or at more frequent intervals, with power in the surviving spouse to appoint the entire interest, or such specific portion (exercisable in favor of such surviving spouse, or of the estate of such surviving spouse, or in favor of either, whether or not in each case the power is exercisable in favor of others), and with no power in any other person to appoint any part of the interest, or such specific portion, to any person other than the surviving spouse—

"(i) the interest or such portion thereof so passing shall, for purposes of subparagraph (A), be considered as passing to the surviving spouse, and

"(ii) no part of the interest so passing shall, for purposes of subparagraph (B) (i), be considered as passing to any person other than the surviving spouse.

This subparagraph shall apply only if such power in the surviving spouse to appoint the entire interest, or such specific portion thereof, whether exercisable by will or during life, is exercisable by such spouse alone and in all events. For purposes of the preceding sentence, a power is exercisable in all events if the surviving spouse has the unrestricted power exercisable at any time during the life of such spouse to use all or any part of the property subject to the power, and to dispose of it in any manner, including the power to dispose of it by gift (whether or not such spouse has power to dispose of it by will)."

(b) The amendment made by subsection (a) shall apply with respect to estates of decedents dying after April 1, 1948, and before August 17, 1954. If refund or credit of any overpayment resulting from the application of such amendment is prevented on the date of the enactment of this act, or at any time within 1 year from such date by the operation of any law or rule of law (other than sec. 3760 of the Internal Revenue Code of 1939 or sec. 7121 of the Internal Revenue Code of 1954, relating to closing agreements; and other than sec. 3761 of the Internal Revenue Code of 1939 or section 7122 of the Internal Revenue Code of 1954, relating to compromises), refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed within one year atfer the date of the enactment of this Act.

(c) No interest shall be allowed or paid on any overpayment resulting from the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, sections 812 (e) and 2056 of the Internal Revenue Codes of 1939 and 1954, respectively, provide a marital deduction in computing the gross estate of a decedent if the decedent's surviving spouse has a right to the income of the property forming the basis of the gift for life, with a general power of appointment. Unlike the 1954 Code, the 1939 Code required that in such cases the property be placed in trust. Because of doubt as to what constituted a trust under the law of the various States, it was not clear that a legal life estate qualifies as a trust in all jurisdictions. Similarly, it was not clear when, where property was placed in trust and the surviving spouse given an interest in and power of appointment over part of the property, the interest given constituted a transfer in trust qualifying for the marital deduction. For these reasons the 1954 Code provides that property in a legal life estate, as well as property in trust, qualifies for the marital deduction, and further, that a right to income coupled with a general power of appointment over a part of the property forming the basis of the gift, qualifies for the marital deduction.

H. R. 8881 which was introduced by my dear friend and esteemed colleague, the gentleman from New York [Mr. REED], amends the marital deduction provisions of the 1939 Code to conform them to the rules provided in the 1954 Code. H. R. 8881 was approved unanimously by the Committee on Ways and Means.

Mr. REED. This bill amends the estate tax provisions of the Internal Revenue Code of 1939 relating to the marital deduction. It will allow the marital deduction where a man left property to his wife for life and gave her the unlimited power to use and consume the property. Such a broad power, as for example where the wife has the power to use, consume or invade the property for her comfort, happiness, and well-being is an interest equivalent to a general power of appointment, which makes the property includible in the wife's gross estate at her death. It follows that the marital deduction is allowable with respect to such a property interest. A recent decision of the Tax Court—*Estate of Pipe* (23 T. C. 99)—raises a question as to whether this is the result under the 1939 Code. This bill makes it clear that such a result is to be obtained under the 1939 Code.

The bill also extends the provisions of section 2056 (b) (5) of the 1954 Code to estates of persons dying after April 1, 1948, and before August 17, 1954, where the life interest of the wife is not coextensive with her general power of appointment. For example, a man leaves all of his property to his wife for life, with unlimited power in her to appoint by her will one-half the principal as she may choose. Thus she has the right to all the income for life but has a general power of appointment over only one-half of the principal. In such a case, the 1954 Code clearly allows a marital deduction as to one-half of the property, since the wife's interest in that one-half is such that it would be included in her gross estate on her death. Recent cases—*Hoffenberg* (22 T. C. 1185); *Shedd* (23 T. C. 41); *Sweet* (24 T. C. 488)—have reached a different result under the 1939 Code. This bill makes it clear that in such cases the marital deduction is also allowable under the 1939 Code.

ADMINISTRATION OF CERTAIN COLLECTED TAXES

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 8865, relating to the administration of certain collected taxes, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That chapter 77 of the Internal Revenue Code of 1954 (relating to miscellaneous administrative provisions) is amended by adding at the end thereof the following new section:

"SEC. 7512. Separate accounting for certain collected taxes, etc.

"(a) General rule: Whenever any person who is required to collect, account for, and pay over any tax imposed by subtitle C or by chapter 33—

"(1) at the time and in the manner prescribed by law or regulations (A) fails to collect, truthfully account for, or pay over such tax, or (B) fails to make deposits, payments, or returns of such tax, and

"(2) is notified, by notice delivered in hand to such person, of any such failure,

then all the requirements of subsection (b) shall be complied with. In the case of a corporation, partnership, or trust, notice delivered in hand to an officer, partner, or trustee, shall, for purposes of this section, be deemed to be notice delivered in hand to such corporation, partnership, or trust and to all officers, partners, trustees, and employees thereof.

"(b) Requirements: Any person who is required to collect, account for, and pay over any tax imposed by subtitle C or by chapter 33, if notice has been delivered to such person in accordance with subsection (a), shall collect the taxes imposed by subtitle C or chapter 33 which become collectible after delivery of such notice, shall (not later than the end of the second banking day after any amount of such taxes is collected) deposit such amount in a separate account in a bank (as defined in sec. 581), and shall keep the amount of such taxes in such account until payment over to the United States. Any such account shall be designated as a special fund in trust for the United States, payable to the United States by such person as trustee.

"(c) Relief from further compliance with subsection (b): Whenever the Secretary or his delegate is satisfied, with respect to any notification made under subsection (a), that all requirements of law and regulations with respect to the taxes imposed by subtitle C or chapter 33, as the case may be, will henceforth be complied with, he may cancel such notification. Such cancellation shall take effect at such time as is specified in the notice of such cancellation."

SEC. 2. Part I of subchapter A of chapter 75 of such Code (relating to general provisions concerning crimes, other offenses, and forfeitures) is amended by adding at the end thereof the following new section:

"SEC. 7215. OFFENSES WITH RESPECT TO COLLECTED TAXES.

"(a) Penalty: Any person who fails to comply with any provision of section 7512 (b) shall, in addition to any other penalties provided by law, be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than $5,000, or imprisoned not more than one year, or both, together with the costs of prosecution.

"(b) Exceptions: This section shall not apply—

"(1) to any person, if such person shows that there was reasonable doubt as to (A) whether the law required collection of tax, or (B) who was required by law to collect tax, and

"(2) to any person, if such person shows that the failure to comply with the provisions of section 7512 (b) was due to circumstances beyond his control.

"For purposes of paragraph (2), a lack of funds existing immediately after the payment of wages (whether or not created by the payment of such wages) shall not be considered to be circumstances beyond the control of a person."

SEC. 3. (a) The table of sections for chapter 77 of such Code is amended by adding at the end thereof the following:

"SEC. 7512. Separate accounting for certain collected taxes, etc."

(b) The table of sections for part I of subchapter A of chapter 75 of such Code is amended by adding at the end thereof the following:

"SEC. 715. Offenses with respect to collected taxes."

SEC. 4. Notification may be made under section 7512 (a) of the Internal Revenue Code of 1954 (as added by the first section of this Act)—

(1) in the case of taxes imposed by subtitle C of such Code, only with respect to pay periods beginning after the date of the enactment of this Act; and

(2) in the case of taxes imposed by chapter 33 of such Code, only with respect to taxes so imposed after the date of the enactment of this Act.

With the following committee amendment:

Page 4, line 9, strike out "person," and insert "person.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, the overwhelming majority of employers and persons subject to the so-called collected excise taxes comply with the withholding and collection requirements of the internal-revenue laws fully. A small minority of employers and collection agents have failed to collect and pay over trust fund moneys representing withheld income, social security and excise taxes. The amount of delinquent withheld income and social security taxes alone amounted to over $279 million, as of December 31, 1956. This amount represented an accumulation of delinquent accounts over a 6-year period and approximates one-fifth of 1 percent of the total of these taxes collected for the period. These delinquencies confer upon the delinquent taxpayers involved an economic and competitive advantage represented by the amount of tax that they do not pay, and such delinquencies place an unfair burden on those who comply fully with withholding requirements.

H. R. 8865 is designed to secure greater compliance on the part of employers and others who are charged with the duty of paying over to the Government trust fund moneys withheld from their employers or collected from their customers. Generally, it provides that an employer required to collect and pay over income, social security or collected excise taxes on facilities or services and who fails to do so will be specifically notified that he is required to withhold or collect these taxes, deposit them in a special trust account for the United States and pay over the taxes. If after notification the person again fails to comply he will be guilty of a misdemeanor which upon conviction will subject him to a fine or not more than $5,000, imprisonment of not more than 1 year, or both. Exceptions are provided to cover the cases where, first, reasonable doubt as to withholding or collection requirements exists under the law; second, where lack of compliance is due to factors beyond the notified person's control.

This bill was unanimously ordered reported by the Committee on Ways and Means.

Mr. REED. Mr. Speaker, this legislation will improve compliance with existing provisions of law on the part of employers and other individuals in paying over to the Government trust fund moneys withheld from employees or collected from customs. The legislation is prospective in character and provides that a person who is required to collect and pay over taxes and he fails to do so can by a notification from the Internal Revenue Service be instructed to collect such taxes and deposit them in a special trust account for the United States Government. Persons who fail to comply with this provision after the notification required by the bill would be subject after conviction for a misdemeanor to a fine of not more than $5,000 or imprisonment for not more than 1 year, or both.

This provision will keep faith with the great majority of American taxpayers who pay their taxes on time as required by law. It will provide a deterrent to those taxpayers who would be delinquent or negligent in the payment of their tax obligations. The Committee on Ways and Means was unanimous in ordering this legislation favorably reported.

CREDIT AGAINST ESTATE TAX FOR TAX ON CERTAIN PRIOR TRANSFERS

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 8887, to amend the Internal Revenue Code of 1939 to provide a credit against the estate tax for Federal estate taxes paid on certain prior transfers in the case of decedents dying after December 31, 1947, introduced by the gentleman from Rhode Island [Mr. FORAND], which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 814 of the Internal Revenue Code of 1939 is hereby amended—

(1) by striking out in subsection (a) of such section "December 31, 1951" and inserting in lieu thereof "December 31, 1949";

(2) by striking out "within two years" wherever appearing in subsections (a) and (b) of such section and inserting in lieu thereof "after December 31, 1947, and within three years"; and

(3) by adding at the end of subsection (c) of such section the following new paragraph:

"(3) Reduction of credit in certain cases: If the transferor predeceased the decedent by more than two years, the credit shall be 80 percent of the amount determined under subsections (b) and (c) (1) and (2)."

SEC. 2. A timely claim based upon a deduction for property previously taxed under section 812 (c) of the Internal Revenue Code of 1939 may be deemed to be a claim based upon a credit for prior taxed property under section 814 of such Act as amended by the first section of this Act.

SEC. 3. No interest shall be allowed or paid on any overpayment resulting from the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, section 812 (c) of the Internal Revenue Code of 1939 provided a deduction in computing estate tax, as distinguished from a credit, for the value of property left to a decedent within 5 years of his death if such property had been taxed as a part of the estate of the donor-decedent or had been subject to gift tax. However, because of difficulties presented by the interrelationship of section 812 (c) and the marital deduction provided by section 812 (e), no deduction for prior-taxed property was allowed to the extent that property in question exceeded 50 percent of the decedent's estate and had been acquired from the decedent's spouse. As a result, double taxation resulted where more than 50 percent of the decedent's estate was acquired from his spouse, because no marital deduction had been allowed to the extent of the excess over 50 percent. To eliminate this double taxation, the 1954 Code in section 2013 provided a credit, which was in turn extended to estates of decedents dying after December 31, 1951, and before August 16, 1954, by Public Law 417, 84th Congress.

H. R. 8887 will extend the treatment provided by Public Law 417 to the estates of decedents dying after December 31, 1949, in cases where the death of the husband or wife of the decedent occurred within 3 years of the decedent's death but after December 31, 1947. By so doing, H. R. 8887 will eliminate cases of hardship which have come to the attention of the Committee on Ways and Means since the enactment of Public Law 417.

H. R. 8887 was ordered favorably reported unanimously by the Committee on Ways and Means.

Mr. REED. Mr. Speaker, H. R. 8887 would amend section 814 of the Internal Revenue Code of 1939 with respect to a credit against the estate tax for Federal estate taxes paid in certain prior transfers.

Existing law under section 814 of the 1939 Code provides a credit against the Federal estate tax for Federal estate taxes paid on prior transfers. Existing law has eliminated the double taxation that would otherwise occur under successive deaths of spouses where a husband and wife died within 2 years of each other by allowing a credit against the decedent's tax for all or a portion of any estate tax previously paid. For this provision to apply the current decedent must have died after December 31, 1951.

H. R. 8887 would amend the existing 1939 law so as to make the date December 31, 1949, after which death of the current decedent must have occurred. In addition, it is provided that there would be a 3-year period instead of the 2-year period in which the successive deaths must have occurred. However, where the deaths occur in this period between 2 and 3 years apart, the credit is limited to 80 percent of the amount otherwise available. The bill would also make appropriate technical amendments with respect to the computation of the available credit.

Mr. Speaker, this legislation was unanimously reported to the House by the Committee on Ways and Means.

FOREIGN TAX CREDIT FOR INCOME TAX PAID WITH RESPECT TO ROYALTIES

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 4952, to amend the Internal Revenue Code of 1939 and the Internal Revenue Code of 1954 with respect to foreign tax credit for United Kingdom income tax paid with respect to royalties and other like amounts, introduced by the gentleman from Pennsylvania [Mr. SIMPSON], which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 131 (e) of the Internal Revenue Code of 1939 (relating to the foreign tax credit) is hereby amended by adding at the end thereof the following new sentence: "For the purposes of this section, the recipient of a royalty or other amount paid or accrued as consideration for the use of, or for the privilege of using, copyrights, patents, designs, secret processes and formulas, trademarks, and other like property, and derived from sources within the United Kingdom of Great Britain and Northern Ireland, shall be deemed to have paid or accrued any income, war-profits, and excess-profits taxes paid or accrued to the United Kingdom with respect of such royalty or other amount (including the amount by which the payor's United Kingdom tax was increased by inability to deduct such royalty or other amount) if such recipient elects to include in its gross income the amount of such United Kingdom tax."

SEC. 2. Section 905 (b) of the Internal Revenue Code of 1954 is hereby amended by adding at the end thereof the following new sentence: "For the purposes of this subpart, the recipient of a royalty or other amount paid or accrued as consideration for the use of, or for the privilege of using, copyrights, patents, designs, secret processes and formulas, trademarks, and other like property, and derived from sources within the United Kingdom of Great Britain and Northern Ireland, shall be deemed to have paid or accrued any income, war-profits and excess-profits taxes paid or accrued to the United Kingdom with respect to such royalty or other amount (including the amount by which the payor's United Kingdom tax was increased by inability to deduct such royalty or other amount) if such recipient elects to include in its taxable income the amount of such United Kingdom tax."

SEC. 3. The amendment made by the first section of this Act shall apply for all taxable years beginning on and after January 1, 1945, as to which section 131 of the Internal Revenue Code of 1939 is the applicable provision. The amendment made by the second section of this Act shall apply with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954, the date of enactment of the Internal Revenue Code of 1954.

With the following committee amendments:

Page 2, strike out lines 12 and 13 and insert "following new sentence: 'For the purposes of this subpart, the recipient of a royalty or other amount paid or'."

Page 3, line 3, strike out "1945," and insert in lieu thereof "1950."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, the provisions of H. R. 4952 will extend to royalty income from United Kingdom sources the tax treatment accorded dividend income from such sources as a consequence of the income-tax convention with Great Britain.

Under the tax laws of Great Britain the standard rate income tax imposed upon corporate profits is treated as if it were a tax on the corporation's shareholders. Thus, when dividends are distributed the corporate distributee recovers the tax previously paid by it by withholding, and the shareholder includes the amount of taxes withheld in his taxable income for purposes of computing his personal tax liability.

While the British regard their basic corporate tax as a tax on the shareholder, the Supreme Court in the case of Biddle against Commissioner has held that a United States stockholder receiving dividends from a British corporation is not considered to have paid the corporate taxes by which the dividends were reduced and is, therefore, not entitled to a foreign tax credit for such taxes. The effect of the Biddle decision was overcome as to dividends by our tax convention with the United Kingdom under which British corporate taxes on dividends paid to United States shareholders are considered to have been paid by the shareholder. In effect, this allows a foreign tax credit for the taxes paid and prevents double taxation.

The tax convention also provides that royalties paid by a British corporation to a United States taxpayer are not subject to the British corporate tax unless the taxpayer has a permanent business establishment in the United Kingdom. This was also provided to prevent double taxation. But in cases where the United States royalty recipient has a permanent business establishment in the United Kingdom no relief from double taxation is available under the tax convention because of the holding in the Biddle case, mentioned above, which operates to deny a foreign tax credit.

H. R. 4952 overcomes the Biddle decision as to royalty income and will give United States royalty recipients who have permanent business establishments in the United Kingdom the same tax relief accorded to dividend recipients under the income-tax convention, thus avoiding double taxation on such income.

The bill was reported unanimously by the Committee on Ways and Means.

Mr. REED. Mr. Speaker, the purpose of this meritorious legislation is to prevent the double taxation of income under the tax laws of the United States and of the United Kingdom. It would clarify the applicability of the foreign tax credit allowed under United States law for United Kingdom tax paid with respect to royalties and other like amounts. The bill amends the foreign tax credit provisions of the Internal Revenue Codes of 1939 and 1954. Under the amendment a United States recipient of a royalty for the use of copyrights, patents, and other similar properties derived from sources within the United Kingdom is to be deemed for the purposes of the United States law foreign tax credit to have paid applicable foreign taxes to the United Kingdom with respect to such income.

This meritorious legislation was unanimously reported by the Committee on Ways and Means and should, in my judgment, receive the favorable consideration of the Congress and the Executive.

TREATMENT OF COPYRIGHT ROYALTIES FOR PURPOSES OF THE PERSONAL HOLDING COMPANY TAX

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 8960, to amend the Internal Revenue Code of 1954 with respect to the treatment of copyright royalties for purposes of the personal holding company tax, introduced by the gentleman from New York [Mr. KEOGH], which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) section 543 (a) of the Internal Revenue Code of 1954 (relating to personal holding company income) is amended by adding at the end thereof the following new paragraph:

"(9) Copyright royalties: Copyright royalties, unless—

"(A) such royalties constitute 50 percent or more of the gross income,

"(B) the personal holding company income for the taxable year (not taking into account copyright royalties, and not taking into account dividends from corporations which are affiliated with the taxpayer and which meet the requirements of this subparagraph and subparagraphs (A) and (C)) is 5 percent or less of the gross income, and

"(C) the deductions allowable under section 162 (other than deductions for compensation for personal services rendered by the shareholders and other than deductions for royalties to shareholders) constitute 50 percent or more of the gross income.

For purposes of this subsection, the term 'copyright royalties' means compensation however designed for the use of or right to use copyrights secured by section 1 of title 17 of the United States Code, or interests in any such copyrights, and includes payments from any person for performing rights in any such copyright. For purposes of this paragraph, a corporation is affiliated with the taxpayer only if such corporation and the taxpayer are both members of the same affiliated group (as defined in section 1504)."

(b) Such section 543 (a) is amended—

(1) by striking out "(other than mineral, oil, or gas royalties)" in paragraph (1) and inserting in lieu thereof "(other than mineral, oil, or gas royalties or copyright royalties)"; and

(2) by adding at the end of paragraph (6) the following new sentence: "For purposes of the preceding sentence, copyright royalties constitute personal holding company income."

SEC. 2. The amendments made by the first section of this Act shall apply only with respect to taxable years beginning after December 31, 1956.

With the following committee amendment:

Page 2, lines 15 and 16, strike out "by section 1 of" and insert in lieu thereof "under."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, the personal holding company tax was devel-

oped as a device to prevent the avoidance of the individual income tax by the formation of incorporated pocketbooks for the receipt of certain investment income by a single or relatively small group of individuals. Generally speaking, personal holding companies are closely held corporations, the bulk of whose income is passive in nature and derived from certain specified types of investment sources. Such companies are subject to a tax of 75 percent to 85 percent of their undistributed personal holding company income, in addition to the regular corporate income tax.

From time to time in the past, Congress has found it necessary to exempt from the personal holding company tax, legitimate types of operating income. H. R. 8960 is directed to a new instance wherein operating income is being subjected to the threat of the personal income holding company tax through changes in business circumstances. The music publishing industry once found its principal market in the sale of sheet music, even though they received some royalty income from music. Recent developments, however, have tended to shift the major source of music publishing income from the sale of sheet music to royalty income, largely as a result of the fact that radio, television, motion pictures, and the expansion of the use of phonograph records have increased royalty income at the same time when sales of sheet music are correspondingly declining.

H. R. 8960 meets this situation by excluding copyright royalties from the definition of personal holding company if the following conditions are met: One, copyright royalties represent 50 percent or more of the gross income of the company; two, other personal holding company income is not in excess of 5 percent of the gross income of the company; and three, business expense deductions of the company, other than salaries or royalties paid to shareholders, equal at least 50 percent of the gross income of the company.

Mr. Speaker, H. R. 8960 has been unanimously reported by the Committee on Ways and Means.

Mr. REED. Mr. Speaker, H. R. 8960 would amend the Internal Revenue Code of 1954 to provide that personal holding company income is not to include income from copyright royalties if the taxpayer satisfies certain safeguarding conditions prescribed in the legislation.

It will be recalled that the personal holding company tax has been developed as a means of preventing the avoidance of the application of the individual income tax in the case of investment income by the formation of a corporation by a relatively small group of individuals. It has been called to the attention of the membership of the Committee on Ways and Means that the personal holding company tax either has become applicable or may in the future become applicable to a type of operating business as distinguished from an investment business. This legislation is necessary to avoid the unintended application of the personal holding company tax to such operating businesses.

The legislation was unanimously reported favorably by the Committee on Ways and Means.

CERTAIN RESTRICTED STOCK OPTIONS

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 9035, 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, introduced by the gentleman from Pennsylvania [Mr. SIMPSON]. This bill was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 421 (d) (6) of the Internal Revenue Code of 1954 (relating to restricted stock options exercised by estate) is amended by adding at the end thereof the following new subparagraph:

"(C) Basis of shares acquired: In the case of a share of stock acquired by the exercise of an option to which subparagraph (A) applies—

"(i) the basis of such share shall include so much of the basis of the option as is attributable to such share; except that the basis of such share shall be reduced by the excess (if any) of the amount, which would have been includible in gross income under subsection (b) if the employee had exercised the option and held such share at the time of his death, over the amount which is includible in gross income under subsection (b); and

"(ii) the last sentence of subsection (b) shall apply only to the extent that the amount includible in gross income under such subsection exceeds so much of the basis of the option as is attributable to such share."

SEC. 2. Subsection (d) of section 1014 of the Internal Revenue Code of 1954 (relating to basis of restricted stock options) is hereby repealed.

SEC. 3. The amendments made by this Act shall apply with respect to taxable years ending after December 31, 1956, but only in the case of employees dying after such date.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, H. R. 9035 amends the Internal Revenue Code of 1954 to provide substantially the same treatment for stock options held by an employee at the time of his death as is provided presently in the case of stock options exercised by the employee prior to his death. Generally, the bill provides that where an option is held by an employee at the time of his death, it will receive a stepped-up basis for determining gain or loss for purposes of the income tax. The new basis of the option will reflect the spread between the option price and the value of the stock at the date of the death of the employee or the optional valuation date as the case may be.

The committee report accompanying H. R. 9035 states that existing law fails to provide a stepped-up basis for option held and unexercised at the date of the employee's death and is thus discriminatory in the case of such option. H. R. 9035 is designed to remove this inequity by providing a new basis for restricted stock option at the date of the employee's death.

H. R. 9035 was unanimously reported by the Committee on Ways and Means.

Mr. REED. Mr. Speaker, the Internal Revenue Code of 1954 provides in section 421 specific rules relating to employee stock options. One of these rules pertains to the exercise by an estate or a beneficiary of a restricted stock option of a deceased employee. However, section 1014 of the code relating to basis does not provide a new or stepped-up basis with respect to option at the time of the death of the optionee.

The general rule provided in the code with respect to property acquired from a decedent is to allow either a new basis or an income-tax deduction for the estate tax paid. Neither of these results occurs in the case of an employee stock option exercised after death of the optionee. H. R. 9035 would correct this unintended hardship by allowing a new income tax basis in the case of a restricted stock option not exercised prior to death.

CERTAIN LOANS MADE BY EMPLOYEE TRUSTS

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 9049, to amend section 503 of the Internal Revenue Code of 1954 with respect to certain loans made by employee trusts, introduced by the gentleman from Louisiana [Mr. BOGGS]. The bill was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection? to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 503 of the Internal Revenue Code of 1954 (relating to requirements for exemption in the case of exempt organizations) is amended by adding at the end thereof the following new subsection:

"(h) Loans with respect to which employers are prohibited from pledging certain assets: Notwithstanding subsection (g), subsection (c) (1) shall not apply to a loan made by a trust described in section 401 (a) to the employer (or to a renewal of such a loan or, if the loan is repayable upon demand, to a continuation of such a loan) if the loan bears a reasonable rate of interest, and if (in the case of a making or renewal)—

"(1) the employer is prohibited by any law of the United States or regulation thereunder from directly or indirectly pledging, as security for such a loan, a particular class or classes of his assets the value of which (at the time of such making or renewal) represents more than one-half of the value of all his assets;

"(2) the making or renewal, as the case may be, is approved in writing as an investment which is consistent with the exempt purposes of the trust by a trustee who is independent of the employer, and no other trustee had previously refused to give such written approval; and

"(3) Immediately following the making or renewal, as the case may be, the aggregate

amount loaned by the trust to the employer, without the receipt of adequate security, does not exceed 25 percent of the value of all the assets of the trust."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to taxable years ending after the date of the enactment of this act, but only with respect to periods after such date.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, section 503 (a) of the Internal Revenue Code of 1954 provides that an employee pension, profit sharing, or stock bonus trust is not to be exempt from income tax if it is engaged in a so-called prohibited transaction.

The term "prohibited transaction" is defined as a transaction in which any part of the income or corpus of an organization is loaned without receipt of adequate security and a reasonable rate of interest to the creator of the organization and certain other related parties. Generally speaking, this prohibited transaction rule has precluded employee pension or profit sharing and stock bonus trusts from investing in the debt obligations of their employer-creators. The rule has been the subject of consideration by the Committee on Ways and Means recently, both in H. R. 8183, which is pending for the consideration of the House, and this bill, H. R. 9049.

Because under the provisions of the Securities Exchange Act of 1934 and Federal Reserve Board Regulation T brokerage firms are prohibited from pledging any of their registered securities as collateral for employee trust loans, or for any loans except bank loans or loans from other brokers, these firms have particular difficulty in meeting the adequate security exception to the prohibited transaction rule. H. R. 9049 will make it possible for the employees of brokerage firms to receive the favorable rates of return usually forthcoming from loans of the type under discussion by providing a new exception to the prohibited transaction rule in the case of loans bearing a reasonable rate of interest and which meet the following three conditions: First, the employer is prohibited by Federal law or regulation from pledging as security particular classes of assets which represent more than one-half of the value of all of the assets held; second, the loan is approved in writing as an investment by an independent trustee; and, third, the total amount loaned by the trust to the employer without adequate security is not in excess of 25 percent of the value of all of the assets of the trust.

The bill H. R. 9049 was unanimously reported by the Committee on Ways and Means.

Mr. REED. Mr. Speaker, existing law provides that employee pension, profit-sharing, and stock-bonus trusts are to be denied income-tax exemption unless any loans made by such funds to the employers are adequately secured. H. R. 9049 would make this provision of law inapplicable in the case of loans to an employer from a trust fund under certain qualifying conditions. This specific legislation relates to the applicability of the prohibited transactions rule to unincorporated stock-brokerage firms. This legislation was unanimously reported by the Committee on Ways and Means.

PERCENTAGE DEPLETION IN THE CASE OF CERTAIN SAND AND GRAVEL

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 2391) to clarify the Internal Revenue Codes of 1939 and 1954 with respect to the allowance of percentage depletion in the case of sand and gravel extracted from navigable waters, introduced by the gentleman from Tennessee [Mr. BAKER]. This bill was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That section 614 of the Internal Revenue Code of 1954 (relating to definition of property for purposes of depletion) is amended by adding at the end thereof the following:

"(d) Extraction of sand and gravel from navigable waters: For purposes of this part, a taxpayer who, under a permit from or with the permission of the United States, extracts sand or gravel from navigable waters of the United States shall be treated as the owner of an economic interest in the deposits from which such sand or gravel is extracted, and such deposits shall be deemed to be depleted by such extraction."

SEC. 2. Section 114 of the Internal Revenue Code of 1939 is amended by adding at the end thereof the following:

"(c) Extraction of sand and gravel from navigable waters: For purposes of the deduction for depletion allowed by section 23 (m), a taxpayer who, under permit from or with the permission of the United States, extracts sand or gravel from navigable waters of the United States shall be treated as the owner of an economic interest in the deposits from which such sand or gravel is extracted, and such deposits shall be deemed to be depleted by such extraction."

SEC. 3. (a) The amendment made by the first section of this act shall apply to all taxable years to which the Internal Revenue Code of 1954 applies.

(b) The amendment made by section 2 of this act shall be effective on and after January 1, 1951.

With the following committee amendment:

Page 2, strike out lines 4 through 19, and insert in lieu thereof the following:

"SEC. 2. The amendment made by the first section of this act shall apply only with respect to taxable years beginning after December 31, 1956.

The committee amendment was agreed to.

Mr. REED. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. BAKER] may extent his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BAKER. Mr. Speaker, I respectfully urge the passage of H. R. 2391 which the Committee on Ways and Means unanimously reported favorably with amendments, and with recommendation that the bill as amended do pass.

The purpose of the bill is to clarify the Internal Revenue Code of 1954 so as to allow the 5-percent depletion on sand and gravel extracted from navigable waters.

Since the enactment of the Revenue Act of 1951 an allowance of 5 percent for the depletion of sand and gravel deposits has been allowed. There is no restriction or limitation either in the Revenue Act of 1951 or in the Internal Revenue Code of 1954 with respect to the allowance of this depletion of sand and gravel. It is presently allowed to operators who pay even a small sum as royalty to a land owner for extracting sand and/or gravel. However, the Internal Revenue Service has held—and I do not agree with their holding—that this deduction is not available to taxpayers who dredge sand and gravel from the bed of a navigable stream under a permit from the United States Army Corps of Engineers, upon the theory that these taxpayers do not have an economic interest in the deposit.

Dredging of the sand and gravel is necessary to keep the channel of the stream navigable and if the dredging was not done by the sand and gravel operators, it would have to be done at the expense of the Federal Government through the United States Corps of Engineers. Thus, as pointed out on page 2 of the committee report, the payment by way of royalty paid by a competing sand and gravel operator to a private landowner for the privilege of extracting the sand or gravel may be less than the cost of dredging in the case of the extraction from beds in navigable streams.

In streams such as the Tennessee River and the Cumberland River where many multiple-purpose dams have been built in recent years, the sand and gravel does not replenish itself and operators are required in many instances to go 50 or 60, or even up to 90 miles away from their operation to find the sand and gravel to dredge and remove from the bed of the stream.

It is to remove this discrimination, which I do not believe was ever intended by the Congress, that this bill grants to those who dredge sand and gravel from beds of navigable rivers the same percentage depletion as is presently available to those who extract sand and gravel from privately owned deposits.

This bill, except for the amendments which merely remove all retroactive application, is the same as H. R. 10923, 84th Congress, which was reported favorably by the Ways and Means Committee on July 24, 1956. Under the committee amendments the effective date of the present bill is in respect to taxable years beginning after December 31, 1956.

The bill was ordered to be engrossed and read a third time, and was read the third time and passed.

The title was amended so as to read: "A bill to clarify the Internal Revenue Code of 1954 with respect to the allowance of percentage depletion in the case of sand and gravel extracted from navigable waters."

A motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, the Internal Revenue Code of 1954 now provides a 5-percent depletion allowance for sand and gravel deposits. However, the Internal Revenue Service has held that this allowance is not available to taxpayers who dredge sand and gravel from navigable rivers under a permit from the Federal Government. The basis of the Internal Revenue's position is that such taxpayers do not have an economic interest in the deposits from which they are dredging.

Effective for taxable years beginning after December 31, 1956, H. R. 2391 will permit a deduction to taxpayers for percentage depletion on income from sand and gravel extracted from navigable waters where the taxpayer extracts the sand and gravel under a permit from, or with the permission of, the United States Government.

H. R. 2391 was reported unanimously by the Committee on Ways and Means.

Mr. REED. Mr. Speaker, H. R. 2391 would allow a deduction to taxpayers for percentage depletion on income from sand and gravel extracted from navigable waters if the taxpayer extracts the sand and gravel under a permit from or with the permission of the United States. This legislation is necessary as the result of the position taken by the Internal Revenue Service that such a deduction is not available to a taxpayer who dredges sand and gravel from the bed of a navigable river under a permit from the Federal Government. Under the bill the deduction is to be available for taxable years after December 31, 1956. The Committee on Ways and Means has been informed that the enactment of this legislation is expected to result in a negligible loss of revenue.

ADMISSIONS TO CERTAIN MUSICAL PERFORMANCES

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 8794; to provide an exemption from the tax imposed on admissions for admissions to certain musical performances, introduced by the gentleman from Missouri [Mr. CURTIS]. This bill was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4233 (a) (3) of the Internal Revenue Code of 1954 be amended (1) by striking out the word "concerts" and inserting in lieu thereof "musical performances" and (2) by striking out the heading of such paragraph and inserting in lieu thereof "Certain musical performances.—".

SEC. 2. The amendment made by the first section of this act shall apply only with respect to amounts paid for admissions on or after the first day of the first month which begins more than 10 days after the date of the enactment of this act.

With the following committee amendment:

Page 1, line 6, after the word "out" insert the following: " 'Certain concerts.—' in."

The committee amendment was agreed to.

Mr. KARSTEN. 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 Missouri?

There was no objection.

Mr. KARSTEN. Mr. Speaker, under the existing law, an exemption is provided from the excise tax on admissions for concerts conducted by nonprofit civic or community membership associations. In the past, the interpretation of the word "concert" extended to musical productions sponsored by civic organizations such as the St. Louis Municipal Opera Association. The St. Louis Municipal Opera Association, like many other civic organizations over the country, every summer sponsors musical productions of various kinds, such as operas, operettas, symphonies, orchestras, bands, and vocal groups. Many of the productions have the characteristics of operas, operettas, and musical comedies. That portion of the performances which the Bureau of Internal Revenue decides are musical comedies would be subject to admissions tax if this legislation is not passed.

To illustrate, the operetta Naughty Marietta would be completely exempt from the excise tax if it were performed by a nonprofit civic organization. However, if the same civic organization should sponsor a production, such as South Pacific it would be almost impossible to determine what part of the production should be taxed. Such a production, of course, contains the elements of an operatic performance, some of the elements of a musical comedy, and also drama.

The gentleman from Missouri [Mr. CURTIS] and I have sponsored legislation to provide for the exemption for these performances which has always been granted in the past. It will not result in any revenue loss and the legislation has the favorable report of the Department of the Treasury.

It is my hope the bill can be promptly acted upon in order to remove the tax crisis faced by the St. Louis Municipal Opera, as well as other similar civic organizations in many cities in the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, an exemption is presently provided from the Federal excise tax on admissions for "concerts" conducted by nonprofit civic or community membership organizations if no part of the net earnings derived from the concerts inure to the benefit of stockholders or members of the association. It has been assumed that this exemption applied to all of the musical performances conducted by community membership associations, with the result that tickets have been sold without collection of the admissions tax.

In administering the admissions taxes, the Internal Revenue Service has recently held that the term "concerts" does not include musical comedies or reviews, with the result that such performances, when conducted by otherwise exempt organizations, are subject to the admissions tax. The Internal Revenue Service's interpretation has resulted in the anomalous situation wherein light operas are treated as "concerts," and musical comedy performances as dramatic presentations subject to the tax. By substituting the term "musical performances" for the word "concerts," H. R. 8794 will provide a more certain basis for administration.

H. R. 8794 was reported unanimously by the Committee on Ways and Means.

Mr. REED. Mr. Speaker, this legislation would amend the existing law exemption from the excise tax on admissions as is presently available with respect to concerts conducted by nonprofit, civic, or community membership associations so that the exemption would be available with respect to musical performances conducted by such associations. There presently exists confusion as to what constitutes an exempt performance and this legislation would remove that uncertainty. The legislation was unanimously reported favorably by the Committee on Ways and Means.

EXTENSION OF UNEMPLOYMENT COMPENSATION PROGRAM

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H. R. 8888, to extend the unemployment compensation program, introduced by the gentleman from New Jersey [Mr. KEAN]. This bill was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. EDMONDSON. Reserving the right to object, Mr. Speaker, and I shall not object, I take this time to ask the gentleman from Tennessee, chairman of the Committee on Ways and Means, if he can give those of us who have appeared before his committee recently in hearings which have been concluded on the subject of vitally needed legislation on lead and zinc some assurance of when we might expect some action from the Committee on Ways and Means on that legislation.

Mr. COOPER. I am sorry, I am not in a position to give the gentleman any definite statement at this time. The matter is under consideration in the committee.

Mr. EDMONDSON. May I ask the chairman if he has any plans to call the committee into session on the bill which is before the committee?

Mr. COOPER. I am sorry, I cannot give the gentleman any further statement just at this time.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the "Unemployment Compensation Amendments of 1957."

FEDERAL INSTRUMENTALITIES

SEC. 2. (a) Section 3305 (b) of the Internal Revenue Code of 1954 is amended to read as follows:

"(b) Federal instrumentalities in general. The legislature of any State may require any instrumentality of the United States (other than an instrumentality to which section 3306 (c) (6) applies, and the individuals in its employ, to make contributions to an unemployment fund under a State unemployment compensation law approved by the Secretary of Labor under section 3304 and (except as provided in section 5240 of the Revised Statutes, as amended (12 U. S. C. 484), and as modified by subsection (c)), to comply otherwise with such law. The permission granted in this subsection shall apply (A) only to the extent that no discrimination is made against such instrumentality, so that if the rate of contribution is uniform upon all other persons subject to such law on account of having individuals in their employ, and upon all employees of such persons, respectively, the contributions required of such instrumentality or the individuals in its employ shall not be at a greater rate than is required of such other persons and such employees, and if the rates are determined separately for different persons or classes of persons having individuals in their employ or for different classes of employees, the determination shall be based solely upon unemployment experience and other factors bearing a direct relation to unemployment risk; (B) only if such State law makes provision for the refund of any contributions required under such law from an instrumentality of the United States or its employees for any year in the event said State is not certified by the Secretary of Labor under section 3304 with respect to such year; and (C) only if such State law makes provision for the payment of unemployment compensation to any employee of any such instrumentality of the United States in the same amount, on the same terms, and subject to the same conditions as unemployment compensation is payable to employees of other employers under the States unemployment compensation law."

(b) The third sentence of section 3305 (g) of such code is amended by striking out "not wholly" and inserting in lieu thereof "neither wholly nor partially."

(c) Paragraph (6) of section 3306 (c) of such code is amended to read as follows:

"(6) service performed in the employ of the United States Government or of an instrumentality of the United States which is—

"(A) wholly or partially owned by the United States, or

"(B) exempt by virtue of a provision of law which grants a specific exemption by reference to section 3301 (or the corresponding section of prior law) from the tax imposed by such section;".

(d) (1) Chapter 23 of such code is amended by renumbering section 3308 as section 3309 and by inserting after section 3308 the following new section:

"SEC. 3308. Instrumentalities of the United States.

"Notwithstanding any other provision of law (whether enacted before or after the enactment of this section) which grants to any instrumentality of the United States an exemption from taxation, such instrumentality shall not be exempt from the tax imposed by section 3301 unless such other provision of law grants a specific exemption, by reference to section 3301 (or the corresponding section of prior law), from the tax imposed by such section."

(2) The table of sections for such chapter is amended by striking out the last line and inserting in lieu thereof the following:

"SEC. 3308. Instrumentalities of the United States.

"SEC. 3309. Short title."

(e) The first sentence of section 1501 (a) of the Social Security Act is amended by striking out "wholly" and inserting in lieu thereof "wholly or partially."

(f) The first sentence of section 1507 (a) of the Social Security Act is amended by striking out "wholly" and inserting in lieu thereof "wholly or partially."

AMERICAN AIRCRAFT

SEC. 3. (a) So much of section 3306 (c) of the Internal Revenue Code of 1954 as precedes paragraph (1) thereof is amended by striking out "or (B) on or in connection with an American vessel" and all that follows down through the phrase "outside the United States," and by inserting in lieu thereof the following: "or (B) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the employee is employed on the vessel or aircraft it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States."

(b) Paragraph (4) of section 3306 (c) of such code is amended to read as follows:

"(4) service performed on or in connection with a vessel or aircraft not an American vessel or American aircraft by an employee, if the employee is employed on and in connection with such vessel or aircraft when outside the United States;".

(c) Section 3306 (m) of such code is amended—

(1) by striking out the heading and inserting in lieu thereof the following:

"(m) American vessel and aircraft.—"; and

(2) by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following: "and the term 'American aircraft' means an aircraft registered under the laws of the United States."

FEEDER ORGANIZATIONS, ETC.

SEC. 4. Paragraph (8) of section 3306 (c) of the Internal Revenue Code of 1954 is amended to read as follows:

"(8) service performed in the employ of a religious, charitable, educational, or other organization described in section 501 (c) (3) which is exempt from income tax under section 501 (a)."

EFFECTIVE DATE

SEC. 5. The amendments made by this act (other than the amendments made by subsecs. (e) and (f) of sec. 2) shall apply only to service performed after December 31, 1958. The amendments made by subsections (e) and (f) of section 2 shall apply with respect to unemployment after December 31, 1958.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COOPER. Mr. Speaker, H. R. 8888 extends the protection of the unemployment insurance system to certain groups of workers to whom this protection is not now available.

The bill broadens the coverage of the system by extending the Federal Unemployment Tax Act to the following groups of employees: (a) Approximately 30,000 workers who are employed by non-wholly owned Federal instrumentalities of the United States which are exempt from the Federal Unemployment Tax Act by reason of broad tax provisions in their charter or enabling legislation; (b) approximately 5,000 airline employees employed in overseas operations of established airlines which have extensive employment in the United States; and (c) employees of organizations operated primarily for carrying on a trade or business for profit even though all the profits are payable to certain nonprofit organizations.

Your committee's bill also broadens the coverage of the system by extending the program of unemployment compensation for Federal employees to employees of partially owned Federal instrumentalities.

The Committee on Ways and Means unanimously favorably reported this bill.

Mr. REED. Mr. Speaker, this legislation relates to the unemployment compensation program and generally provides an extension of coverage under the system.

H. R. 8888 would broaden unemployment insurance coverage by extending the Federal Unemployment Tax Act to employees of certain Federal instrumentalities which are now exempted by reason of a general tax exemption. Under existing law the only Federal instrumentalities still excluded from unemployment insurance are those which are not wholly owned by the United States and are exempt from taxes by reason of some provision in their charter or some other provision of law. An example of the type of activity that would be covered under the bill are certain activities of the Farm Credit Administration and certain Federal banking institutions.

In addition, H. R. 8888 would extend coverage to employees on American aircraft engaged in overseas operations and to employees of so-called feeder organizations.

The Committee on Ways and Means was unanimous in reporting this legislation favorably to the House.

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Clerk, in engrossing the bill H. R. 8888, be instructed to insert a closing parenthesis on page 2, line 1, after the word "applies" and before the comma.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

POULTRY PRODUCTS INSPECTION BILL

Mr. WATTS. Mr. Speaker, I call up the conference report on the bill S. 1747, to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1170)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1747) to provide for the compulsory inspection by the United States Department of Agriculture

of poultry and poultry products 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 disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Poultry Products Inspection Act'.

"LEGISLATIVE FINDING

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

"The great volume of poultry products required as an article of food for the inhabitants of large centers of population may directly affect the movement of poultry and poultry products in interstate commerce. To protect interstate commerce in poultry and poultry products inspected for wholesomeness, from being adversely burdened, obstructed, or affected by uninspected poultry or poultry products, major consuming areas where poultry or poultry products are handled or consumed in such volume as to affect the movement of inspected poultry or poultry products in interstate commerce should be designated by the Secretary pursuant to the provisions of this Act.

"DECLARATION OF POLICY

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

"DEFINITIONS

"SEC. 4. For purposes of this Act—

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

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

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

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

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

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

"(g) The term 'unwholesome' means:

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

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

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

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

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

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

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

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

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

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

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

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

"(i) The term 'inspector' means: (1) an employee or official of the United States Government authorized by the Secretary to inspect poultry and poultry products under the authority of this Act, or (2) any employee or official of any State government authorized by the Secretary to inspect poultry and poultry products under authority of this Act, under an agreement entered into between the Secretary and the appropriate State agency.

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

"(k) The term 'inspection service' means the official Government service within the Department of Agriculture designated by the Secretary as having the responsibility for carrying out the provisions of this Act.

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

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

"(n) The term 'label' means any written, printed, or graphic material upon the shipping container, if any, or upon the immediate container, including but not limited to an individual consumer package, of the poultry product, or accompanying such product.

"(o) The term 'shipping container' means any container used or intended for use in packaging the product packed in an immediate container.

"(p) The term 'immediate container' includes any consumer package; or any other container in which poultry carcasses or poultry products, not consumer packaged, are packed.

"DESIGNATION

"SEC. 5. Upon application by any appropriate State or local official or agency of a substantial portion of any major consuming area or upon application by an appropriate local poultry industry group in such an area, where the Secretary has reason to believe that poultry or poultry products are handled or consumed in such volume as to affect, burden, or obstruct the movement of inspected poultry products in interstate commerce, the Secretary shall conduct a public hearing to ascertain whether or not it will tend to effectuate the purposes of this Act for such area to be subject to the provisions of this Act. If after public hearing the Secretary finds that poultry or poultry products are handled or consumed in such volume as to affect, burden, or obstruct the movement of inspected poultry products in commerce and that the designation of such area will tend to effectuate the purposes of this Act, he shall by order designate such area and prescribe the provisions of this Act which shall be applicable thereto and grant such exemptions therefrom as he determines practicable. Such designation shall not become effective until six months after the notice thereof is published in the Federal Register. On and after the effective date of such designation, all poultry and poultry products processed, sold, received, or delivered in any such area shall be subject to the provisions of this Act.

"ANTE MORTEM AND POST MORTEM INSPECTION, REINSPECTION, AND QUARANTINE

"SEC. 6. (a) For the purpose of preventing the entry into or flow or movement in commerce or a designated major consuming area of any poultry product which is unwholesome or adulterated, the Secretary shall, where and to the extent considered by him necessary, cause to be made by inspectors ante mortem inspection of poultry in any official establishment processing poultry or poultry products for commerce or in, or for marketing in a designated city or area.

"(b) The Secretary, whenever processing operations are being conducted, shall cause to be made by inspectors post mortem inspection of the carcass of each bird processed, and at any time such quarantine, segregation, reinspection as he deems necessary of poultry and poultry products in each official establishment processing such poultry or poultry products for commerce or in, or for marketing in a designated city or area.

"(c) All poultry carcasses and parts thereof and poultry products found to be unwholesome or adulterated shall be condemned and shall, if no appeal be taken from such determination of condemnation, be destroyed for human food purposes under the supervision of an inspector: *Provided*, That carcasses, parts, and products, which may by reprocessing be made not unwholesome and not adulterated, need not be so condemned and destroyed if so reprocessed under the supervision of an inspector and thereafter found to be not unwholesome and not adulterated. If an appeal be taken from such determination, the carcasses, parts, or products shall be appropriately marked and segregated pending completion of an appeal inspection, which appeal shall be at the cost of the appellant if the Secretary determines that the appeal is frivolous. If the determination of condemnation is sustained the carcasses, parts, and products shall be destroyed for human food

purposes under the supervision of an inspector.

"SANITATION, FACILITIES, AND PRACTICES

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

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

"LABELING

"SEC. 8. (a) Each shipping container of any poultry product inspected under the authority of this Act and found to be wholesome and not adulterated, shall at the time such product leaves the official establishment bear, in distinctly legible form, the official inspection mark and the approved plant number of the official establishment in which the contents were processed. Each immediate container of any poultry product inspected under the authority of this Act and found to be wholesome and not adulterated shall at the time such product leaves the official establishment bear, in addition to the official inspection mark, in distinctly legible form, the name of the product, a statement of ingredients if fabricated from two or more ingredients including a declaration as to artificial flavors, colors, or preservatives, if any, the net weight or other appropriate measure of the contents, the name and address of the processor and the approved plant number of the official establishment in which the contents were processed. The name and address of the distributor may be used in lieu of the name and address of the processor if the approved plant number is used to identify the official establishment in which the poultry product was prepared and packed. The Secretary may permit reasonable variations and grant exemptions from the foregoing labeling requirements in any manner not in conflict with the purposes of this Act.

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

"PROHIBITED ACTS

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

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

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

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

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

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

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

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

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

"(i) Delivering, receiving, transporting, selling, or offering for sale or transport for human consumption any slaughtered poultry or any part thereof, separately or in combination with other ingredients (other than poultry products as defined in this Act), in commerce or from an official establishment or in a designated major consuming area, except as may be authorized by, and pursuant to rules and regulations prescribed by the Secretary.

"COMPLETE COVERAGE OF OFFICIAL ESTABLISHMENTS

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

"RECORDS OF INTERSTATE SHIPMENT

"SEC. 11. For the purpose of enforcing the provisions of this Act, persons engaged in the business of processing, transporting, shipping, or receiving poultry slaughtered for human consumption or poultry products in commerce or in a designated major consuming area, or holding such products so received shall maintain records showing, to the extent that they are concerned therewith, the receipt, delivery, sale, movement, or disposition of poultry and poultry products and shall, upon the request of a duly authorized representative of the Secretary, permit him at reasonable times to have access to and to copy all such records. Any record required to be maintained by this section shall be maintained for a period of two years after the transaction, which is the subject of such record, has taken place.

"PENALTIES

"SEC. 12. (a) Any person who violates the provisions of sections 9, 10, 11, or 17, shall be guilty of a misdemeanor and shall on conviction thereof be subject to imprisonment for not more than six months, or a fine of not more than $3,000, or both such imprisonment and fine; but if such violation is committed after one conviction of such person under this section has become final such person shall be subject to imprisonment for not more than one year, or a fine of not more than $5,000, or both such imprisonment and fine; but if such violation is committed after two or more convictions of such person under this section have become final such person shall be subject to imprisonment for not more than two years, or a fine of not more than $10,000, or both such imprisonment and fine. When construing or enforcing the provisions of said sections the act, omission, or failure of any person acting for or employed by any individual, partnership, corporation, or association within the scope of his employment or office shall in every case be deemed the act, omission, or failure of such individual, partnership, corporation, or association, as well as of such person.

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

"REPORTING OF VIOLATIONS

"SEC. 13. Before any violation of this Act is reported by the Secretary to any United States attorney for institution of a criminal proceeding, the person against whom such proceeding is contemplated shall be given reasonable notice of the alleged violation and opportunity to present his views orally or in writing with regard to such contemplated proceeding. Nothing in this Act shall be construed as requiring the Secretary to report for criminal prosecution violations of this Act whenever he believes that the public interest will be adequately served and compliance with the Act obtained by a suitable written notice or warning.

"REGULATIONS

"SEC. 14. The Secretary shall promulgate such rules and regulations as are necessary to carry out the provisions of this Act.

"EXEMPTIONS

"SEC. 15. (a) The Secretary shall, by regulation and under such conditions as to sanitary standards, practices, and procedures

as he may prescribe, except from specific provisions of this Act—

"(1) poultry producers with respect to poultry of their own raising on their own farms which they sell directly to household consumers or restaurants, hotels, and boarding houses for use in their own dining rooms or in the preparation of meals for sales direct to consumers only: *Provided,* That such poultry producers do not engage in buying or selling poultry products other than those produced from poultry raised on their own farms;

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

"(3) for such period of time as the Secretary determines that it would be impracticable to provide inspection and the exemption will aid in the effective administration of this Act, any person engaged in the processing of poultry or poultry products for commerce and the poultry or poultry products processed by such person: *Provided, however,* That no such exemption shall continue in effect on and after July 1, 1960; and

"(4) persons slaughtering, processing, or otherwise handling poultry or poultry products which have been or are to be processed as required by recognized religious dietary laws, to the extent that the Secretary determines necessary to avoid conflict with such requirements while still effectuating the purposes of this Act.

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

"VIOLATIONS BY EXEMPTED PERSONS

"SEC. 16. Any person who sells, delivers, transports or offers for sale or transportation in commerce or in a designated major consuming area any poultry or poultry products which are exempt under section 15, and which are unwholesome or adulterated and are intended for human consumption, shall be guilty of a misdemeanor and shall on conviction thereof be subject to the penalties set forth in section 12.

"IMPORTS

"SEC. 17 (a) No slaughtered poultry, or parts or products thereof, of any kind shall be imported into the United States unless they are healthful, wholesome, fit for human food, not adulterated, and contain no dye, chemical, preservative, or ingredient which renders them unhealthful, unwholesome, adulterated, or unfit for human food and unless they also comply with the rules and regulations made by the Secretary of Agriculture to assure that imported poultry or poultry products comply with the standards provided for in this Act. All imported, slaughtered poultry, or parts or products thereof, shall after entry into the United States in compliance with such rules and regulations be deemed and treated as domestic slaughtered poultry, or parts or products thereof, within the meaning and subject to the provisions of this Act and the Federal Food, Drug, and Cosmetic Act, and Acts amendatory of, supplemental to, or in substitution for such Acts.

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

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

"GENERAL PROVISIONS

"SEC. 18. (a) For the purpose of preventing and eliminating burdens on commerce in poultry and poultry products, the jurisdiction of the Secretary within the scope of this Act shall be exclusive and poultry and poultry products shall be exempt from the provisions of the Federal Food, Drug, and Cosmetic Act, as amended, to the extent of the application or the extension thereto of the provisions of this Act.

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

"COST OF INSPECTION

"SEC. 19. The cost of inspection rendered under the requirements of this Act, shall be borne by the United States, except that the cost of overtime and holiday work performed in establishments subject to the provisions of this Act at such rates as the Secretary may determine shall be borne by such establishments. Sums received by the Secretary in reimbursement for sums paid out by him for such premium pay work shall be available without fiscal year limitation to carry out the purposes of this section.

"APPROPRIATIONS

"SEC. 20. There is hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

"SEPARABILITY OF PROVISIONS

"SEC. 21. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

"EFFECTIVE DATE

"SEC. 22. This Act shall take effect upon enactment, except that no person shall be subject to the provisions of this Act prior to January 1, 1959, unless such person after January 1, 1958, applies for and receives inspection for poultry or poultry products in accordance with the provisions of this Act and pursuant to regulations promulgated by the Secretary hereunder, in any establishment processing poultry or poultry products in commerce or in a designated major consuming area. Any person who voluntarily applies for and receives such inspection after January 1, 1958, shall be subject, on and after the date he commences to receive such inspection, to all of the provisions and penalties provided for in this Act with respect to all poultry or poultry products handled in the establishment for which such said application for inspection is made."

And the House agree to the same.

HAROLD D. COOLEY,
GEORGE M. GRANT,
JOHN C. WATTS,
CLARK W. THOMPSON,
WILLIAM S. HILL,
CHARLES B. HOEVEN,
CLIFFORD G. MCINTIRE,
Managers on the Part of the House.

ALLEN J. ELLENDER,
HUBERT H. HUMPHREY,
HERMAN E. TALMADGE,
GEORGE D. AIKEN,
JOHN J. WILLIAMS,
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 amendment of the House to the bill (S. 1747) to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all after the enacting clause of the Senate bill and substituted the language of H. R. 6814 as passed by the House on July 9, 1957. The bill reported herewith is a substitute for the House amendment which has been agreed upon by the conferees. Except for changes of a clarifying or technical nature, following are the differences between the House amendment and the committee substitute.

SECTION 5

This section follows substantially the House language but has been modified to include a provision of the Senate bill which provides that application for a hearing by the Secretary may be made by an appropriate State official, as well as by those persons designated in the House amendment. As recommended by the conferees, the section now provides that three classes of persons may make application to the Secretary for designation of an area as a "major consuming area." These are: (1) Any appropriate State official representing a substantial portion of such area; (2) Any appropriate local official or agency of a substantial portion of such area; or (3) An appropriate local poultry industry group in such area.

The committee of conference reemphasizes the fact that this provision as reported by the conferees provides that the public hearing contemplated is a quasi-legislative hearing and the facts or opinions submitted thereat may be supplemented by investigations by the Secretary to aid in his determination as to whether a designation of an area should be made. Such hearing and investigation are to develop not only information as to the volume of poultry marketed in a major consuming area, but all other facts which would bear upon the question as to whether the designation of such an area will tend to effectuate the purposes of the Act.

SECTION 6

Section 6 is substantially the House language. Subsection (b) was amended to make it clear that reinspection, quarantine, and segregation of poultry may take place at any time and need not be done when the plant is in operation.

In connection with post mortem inspection, the committee of conference in adopting the House language reiterates the interpretation of the language as contained in the House report that "the Secretary * * * shall at all times provide sufficient inspectors and employ such procedures as will not slow down processing operations in the plants being inspected."

SECTION 7

The committee of conference has followed the House language in section 7 and in doing so points out that there is no authority in this bill for the Secretary to withdraw inspection from all of the plants operated by a company if he finds that only one or more of such plants are not complying with regulations. Inspection is on a plant-by-plant basis and may be withdrawn only from the particular establishment "whose premises, facilities, or equipment, or the operation thereof, fail to meet the requirements of this section."

SECTION 8

Subsection (a) was identical in both the House and Senate versions except that the Senate bill contained authority for the Secretary to permit reasonable variations and

grant exemptions from the labeling requirements in any manner not in conflict with the Federal Food, Drug, and Cosmetic Act. The conference substitute permits exemptions but requires only that they shall not be in conflict with the purposes of this Act.

Subsection (b) was identical in both bills except that the Senate bill used the words "in any particular" in connection with labeling which is "false or misleading." The conferees have adopted the Senate language in this case as being more nearly in conformity with other similar statutes.

SECTION 9

Section 9 is identical with the language of the House amendment except that a modification has been made in subsection (i) to permit the Secretary to grant some extension of time to processors of "New York dressed" poultry to comply with the provisions of the Act. The effective date of the Act with respect to its compulsory features is January 1, 1959. In view of the time which has elapsed since introduction and committee consideration of the bills the conference committee felt that some extension of this time might be needed by some processors of "New York dressed" poultry to permit the changeover of their plant and operations to the processing of eviscerated poultry. The amendment to the House language will permit the Secretary to grant such extension "pursuant to rules and regulations prescribed" by him. It is, however, the intent of the bill that the prohibition against "New York dressed" poultry be made fully effective as soon as practicable.

SECTION 13

The committee of conference has adopted the House language in Section 13 and in doing so points out that it is the intention of the committee that subsection (b) of this section should apply to public warehousemen who handle poultry products in the course of their movement from processor to consumer on the same terms as it will apply to a carrier. A public warehouseman is in precisely the same position as a carrier except that instead of transporting he stores goods for the general public for hire. It is the opinion of the committee of conference, therefore, that public warehousemen should be treated by the Secretary in exactly the same manner as carriers in enforcing the provisions of this Act.

SECTION 17

The House language required knowledge as an element of guilt under this section with respect to a person who sells unwholesome or adulterated poultry under one of the exemptions of the Act. The Senate bill did not require knowledge in this respect and the conference bill follows the Senate language.

SECTION 20

The conference bill follows substantially the wording of the House amendment with the addition of language to make it clear that the rates of overtime and holiday pay to be charged processing establishments may be established at a reasonable uniform rate instead of being figured on an individual basis. The holidays to be counted with respect to Federal employees are those which apply to Federal civil-service employees, either by law or by Executive or administrative order. Holidays to be counted with respect to State employees will be those legally observed by employees of that State.

SECTION 24

The Senate bill contained no provision similar to section 24 of the House amendment. In view of adoption by the conference committee of the House language in section 19, providing that "the jurisdiction of the Secretary within the scope of this Act shall be exclusive," the committee felt that section 24 would neither add to nor detract from the legal effect of the rest of the bill but might be confusing. It therefore did not include this section in the conference bill.

HAROLD D. COOLEY,
GEORGE M. GRANT,
JOHN C. WATTS,
CLARK W. THOMPSON,
WILLIAM S. HILL,
CHARLES B. HOEVEN,
CLIFFORD G. MCINTIRE,
Managers on the Part of the House.

Mr. WATTS (during the reading of the statement). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WATTS. Mr. Speaker, the conferees met and reached a unanimous agreement on the differences between the Senate version of this measure and the House version. As a matter of fact, the differences were mostly in the language rather than in the text of the bill. There are one or two things that I want to call attention to that are not in the report or are reflected incorrectly in the report. On page 18, section 17 should be section 16 in the statement on the part of the managers and section 20 should be section 19. The bill is substantially the House bill. In almost every instance, the Senate conceded.

The House conferees probably should have included in their statement a reference to what the committee of conference agreed should be an "appropriate" State agency to request a hearing by the Secretary of Agriculture on the designation of a city as a "major consuming area". The conference was agreed that where there is an agency charged by State law with responsibility for the inspection of poultry products that such agency should be the "appropriate" agency within the meaning of this act.

There was no substantive difference between the House and Senate language in this part of the bill, so the matter is not alluded to in the statement of managers. In the Senate report on the bill, however, it is indicated that the definition of "United States" in this act is to be the same as that in the Imported Meat Act, which is found in title 19, United States Code, section 1401 (k).

Under this definition the term "United States" includes all Territories and possessions of the United States except the Virgin Islands, American Samoa, Wake Island, Midway Island, Kingman Reef, Johnston Island, and the Island of Guam.

Mr. Speaker, I have no requests for time on this side and yield to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Speaker, as has been said by our colleague from Kentucky [Mr. WATTS], this is a unanimous report and we hope that it will be accepted unanimously by the House. This is important legislation to the people of America. Wholesome poultry products are an important source of the Nation's total supply of food. The marketing of wholesome poultry products is affected with the public interest and directly affects the welfare of the people.

Mr. Speaker, I have no requests for time and yield back the balance of my time.

Mr. WATTS. 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 conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDING STATUTES ADMINISTERED BY SECURITIES AND EXCHANGE COMMISSION

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, at the request of the Securities and Exchange Commission, I have today introduced five bills, which amend the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1934, and the Investment Advisers Act of 1940. In transmitting these bills to me for introduction, the Commission states that the overall purpose of the proposed amendments is to strengthen the safeguards and protections afforded to the public by the statutes which the Commission administers and to assist the Commission in making its enforcement activities more effective.

The Securities Act of 1933, relating to the truthful disclosure of information about new security offerings, the Securities Exchange Act of 1934, relating to disclosure of information about listed securities and regulating practices in exchange and over-the-counter operations, and succeeding legislation which is administered by the Securities and Exchange Commission, represent legislation of which the House Committee on Interstate and Foreign Commerce and the Congress are justly proud. These statutes have gone a long way in the mitigation and elimination of undesirable practices in the securities field, in the restoration of confidence in the securities markets, and in the protection of the investing public.

Experience in the administration of these acts, however, naturally has given rise over the years to various suggestions as to their improvement and their workability, which obviously could not all be anticipated at the time of their original enactment. A program for revision in the light of such experience was interrupted by the war. At the instance of the House Committee on Interstate and Foreign Commerce, the Commission renewed discussions with industry relating to a revision program, and has presented the result of such discussions to the committee for its consideration.

In 1954, a bill was introduced and enacted into law—Public Law 577, 83d Congress—which amended these same statutes to enable more practical and effective mechanics in the supply of

capital to industry through securities distribution.

At that time, the House Committee on Interstate and Foreign Commerce stated that, although it was fully appreciative of the suggestions which time and experience appropriately might bring as to relief in the securities-distribution process from onerous provisions not necessary for the protection of investors, the committee could not but be fully mindful of its responsibilities in the public interest and in the preservation of the investor safeguards contemplated by these statutes. The committee accordingly urged the Commission promptly to come forward with those further amendments which the Commission's experience might dictate appropriate for the strengthening of the statutes in the investor interest.

The Commission has proceeded on such program and has submitted this proposed legislation for consideration. I have been able to give their proposals only cursory examination, and am unable to determine at this time the full scope of the amendments proposed. I trust, however, that they cover those matters wherein the Commission believes, and over the years has so reported to us, strengthening of the statutes is needed to provide and preserve for the investing public the protection envisaged in the statutes when they were passed.

SECURITIES AND
EXCHANGE COMMISSION,
Washington, D. C., August 13, 1957.

Hon. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D. C.

DEAR MR. HARRIS: In accordance with my letter of July 2, 1957, transmitting proposed amendments to certain of the statutes administered by the Commission, I am enclosing 40 copies of a draft bill setting forth amendments which the Commission proposes to the Investment Company Act of 1940. The bill is accompanied by a proposal explaining the proposed amendments and a comparative print of the statutory sections involved reflecting the existing provisions and the proposed changes.

The Commission on January 24, 1957, circulated a draft of proposed amendments and a public conference was held on February 26, 1957, at which interested persons were heard. Thereafter further conferences were held with representatives of interested industry groups, and the comments made at the public hearing were further explored. The Commission reexamined these proposed amendments in the light of all the comments it had received, and prepared a revised draft of amendments which was circulated on June 17, 1957. Thereafter additional comments were received on the revised proposals.

The overall purpose of the proposed amendments is to strengthen the safeguards and protections afforded to the public by the statutes which the Commission administers.

The Commission believes that enactment of these proposed amendments will substantially assist it in administering the Investment Company Act of 1940. The Commission also believes that it will be in the public interest for these proposed amendments to be introduced as a bill and for the Congress to hold hearings on them at its earliest convenience.

I will be pleased to confer with you on these proposed amendments any time at your convenience.

The Bureau of the Budget advises that it has no objection to the submission of these proposed amendments.

Sincerely yours,
ANDREW DOWNEY ORRICK,
Acting Chairman.

THE LATE RALPH W. HARDY

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, like so many of our colleagues and others in industry, I regretted very much to learn of the passing of Ralph W. Hardy, vice president of the Columbia Broadcasting System. To all of us who have known him, his sudden and untimely death at the early age of 41 years came as a great shock.

On the following day that I learned of his death resulting from a heart attack, the Washington Post carried an appropriate and very fine tribute in an editorial which I requested to be included in the RECORD. However, it had already been submitted by the Honorable LYNDON B. JOHNSON, distinguished majority leader in the Senate, on that day. I did want, Mr. Speaker, to take an opportunity to pay a personal tribute to Ralph in expressing my deep regret for the loss of a so fine, valiant, able and patriotic citizen.

We, on the Committee on Interstate and Foreign Commerce, had frequent occasion to hear Ralph Hardy testify on behalf of the radio and television industry in his capacity as vice president in charge of Government affairs of the National Association of Radio and Television Broadcasters.

Most Members of Congress probably had some contact with him in their Congressional offices, as he visited from time to time in connection with legislative matters concerning this great industry. I can testify, Mr. Speaker, that I know all Members who have had association with him were deeply impressed by his honesty and sincerity, his great ability, his sense of fairness and his friendliness. True, he was an advocate for the radio and television industry and an eminently able advocate. However, at all times he was frank and extremely helpful in every possible way to the Committee, as well as individual Members of the Congress.

More recently, he became a vice president of the Columbia Broadcasting System in charge of its Washington office. No doubt, CBS knew of and appreciated the esteem in which Ralph was held, not only by Members of Congress, but elsewhere in Washington.

It is most unfortunate that his life would be snapped out at such an early age. All of us who have known him will miss him greatly and our deepest sympathy is extended to his family and business associates.

RETIREMENT BILL, H. R. 607

Mrs. PFOST. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Post Office and Civil Service be given until midnight tonight to file their report on the retirement bill, H. R. 607.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PROGRAM FOR WEEK OF AUGUST 19

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to ask the acting majority leader if he can tell us what the program will be for next week.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALBERT. I shall be glad to give the gentleman the program for next week.

Monday: The Consent Calendar will be called and the Speaker will recognize suspensions on six bills:

H. R. 5384, to amend the Interstate Commerce Act to provide for the preservation of competitive through rates for rail carriers.

H. R. 7993, to provide Government guaranty of private loans to certain air carriers for purchase of aircraft and equipment.

H. R. 7494, to provide adequate time for the formulation and consideration of rules and regulations regarding passenger-carrying vessels.

H. R. 5497, to amend the Watershed Protection and Flood Control Act.

H. R. 8679, to extend for 1 year the impacted area school bill.

H. R. 9020, to amend the Packers and Stockyards Act to assure fair trade.

The following conference reports will also be considered on Monday:

S. 939, to amend section 22 of the Interstate Commerce Act.

H. R. 1937, the District of Columbia stadium bill.

Tuesday: The Atomic Energy Commission appropriation bill.

Wednesday: House Resolution 397, a House resolution on H. R. 6127, the Civil Rights Act of 1957, if it is reported by the Committee on Rules.

Thursday: The Private Calendar will be called.

For Friday and the remainder of the week the program is undetermined. Any further program will be announced later.

Conference reports may be brought up at any time.

ADJOURNMENT TO AUGUST 19

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

INTERIM AUTHORITY TO SPEAKER AND CLERK

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next the clerk be authorized to

receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALENDAR WEDNESDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that business in order under the Calendar Wednesday rule next week may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BURLESON. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield.

Mr. BURLESON. May I say that the Committee on House Administration hopes to have its final meeting on Tuesday. I hope the leadership will make it possible for the committee to present a number of bills some time next week.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield.

Mr. HARRIS. What would be the time regarding conference reports that are to be considered on Monday?

Mr. ALBERT. It would be after the Consent Calendar and after the suspensions.

RAILROAD RETIREMENT BENEFITS

The SPEAKER. Under the previous order of the House, the gentleman from Kentucky [Mr. PERKINS] is recognized for 5 minutes.

Mr. PERKINS. Mr. Speaker, I deeply regret to see this session of the Congress come to a close without acting on the railroad retirement legislation now pending in the Congress. This, to my way of thinking, is one of the most urgent matters awaiting the action of Congress.

During the closing days of the last session problems of jurisdiction developed in regard to the carefully considered proposal of the railroad brotherhoods which would have increased retirement benefits by 15 percent and have removed the tax on a tax which railroad workers are required to pay. Until these matters could be resolved, we reluctantly accepted a benefit boost of only 10 percent and took no action on the matter of how these liberalizations were financed. The solution of these problems was, at the same time, named as a first order of business for this session of Congress.

During the hearings in early March of this year on the resulting Harris-Wolverton bills, I appeared in support of my identical bill, H. R. 4817. At that time I said:

> We know that the steady increases in the cost of living which have occurred in the last 6 months, cause perhaps the greatest hardship to men and women who are living on retirement income. We know, too, that these people usually have more need for medical care, because of advancing years, and that medical costs have been increasing at a more rapid rate than almost any other item in the family budget.

Since that time, as every Member of Congress is aware, we have seen 4 more months during which living costs have continued to mount to record highs. The 10-percent increase was not adequate for retired railroad workers last year, and each month their situation has become more desperate. It is inconceivable to me that we will let this session of Congress pass without taking some action in regard to this distressing situation. I well realize, Mr. Speaker, that the session of Congress, for all intents and purposes, is now over, but this should be the first order of business next year.

The Harris-Wolverton bills recognize the advance in the cost of living by granting an increase of 10 percent in the annuities of virtually all the people on the railroad-retirement rolls. Unlike legislation last year, the bills will increase the payments of those 169,000 individuals who are drawing the so-called social-security minimum benefit. These include almost 100,000 aged widows whose particularly unhappy condition is brought to my attention by each incoming mail. Moreover, one of the bill's important provisions makes substantial improvements in the unemployment insurance system of the railroad industry.

So that railroad employees are not made tax poor in order to maintain a truly protective retirement system, and for the sake of fair tax treatment for all workers, I, likewise, have introduced a bill, which will eliminate the tax on tax of workers' retirement contributions. My bill, H. R. 5768, which is identical to Representative McCARTHY's bill, H. R. 5551, will exempt, for income-tax purposes, the amount of an employee's contribution to the railroad retirement fund. To insure equitable treatment for other workers, the bill provides a similar exemption for employee contributions to the social security and civil service retirement trust funds.

Mr. Speaker, for over a year now, the people who are dependent on their railroad benefits have been waiting for us to act in their behalf. I certainly hope that we will be able to get this legislation before the House of Representatives early next year, and it will be my purpose to make every contribution possible in that respect.

THE INTERNATIONAL LABOR ORGANIZATION (ILO)

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. McCONNELL] is recognized for 30 minutes.

Mr. McCONNELL. Mr. Speaker, the International Labor Organization—ILO—has been in recent years a controversial subject of discussion. Because of that fact I agreed to serve for the past 2 years as one or two Congressional advisers on the United States delegation to the conferences in June of 1956 and 1957, at Geneva, Switzerland. It was my purpose to observe at firsthand the operations of that organization; to talk with different groups and individuals attending the conferences; and to attempt to formulate my own opinions. It is my intention now before leaving Congress to report my observations and impressions.

WHAT IS ILO?

Very few people know much about the ILO. It is a specialized agency of the United Nations. It came into existence back in 1919, at the conclusion of World War I. Samuel Gompers, well-known labor leader, was chairman of the committee which drafted the ILO's constitution to be incorporated in the Treaty of Versailles. When the League of Nations was established, the ILO became a part of that organization. The United States joined the ILO in 1934. Later, when the United Nations was set up, the ILO in 1945, became a member of that organization.

PURPOSE OF THE ILO

The purpose of the ILO can best be described by quoting in part from the preamble of its constitution:

> Universal and lasting peace can be established only if it is based upon social justice.
>
> Conditions of labor exist involving such injustice, hardship, and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperiled; and an improvement of those conditions is urgently required."

In summary, it can be stated briefly that the ILO is an association working for lasting peace based upon social justice.

ORGANIZATION OF THE ILO

The members of the ILO are the States or countries which were members on November 1, 1945, and such other members subsequently admitted. Any original member of the U. N. and any States admitted to membership by a decision of the General Assembly may become a member by communicating to the Director General of the ILO its formal acceptance of the obligations of the constitution of the ILO. The general conference of the ILO may also admit members by a two-thirds vote of the delegates attending a session of the conference, including two-thirds of the Government delegates present and voting.

There are 77 member nations in the ILO today.

The permanent organization consists of (a) a general conference of representatives of the members, (b) a governing body composed of 40 persons, and (c) an international labor office controlled by the governing body.

Meetings of the general conference shall be held at least once in every year. The conference is composed of 4 representatives for each of the members: two delegates representing governments; one representing employers; and one representing workers. Thus the setup is tripartite, which is unique among international organizations.

Each delegate may be accompanied by advisers. The credentials of the delegates and advisers are subject to scrutiny by the conference which may, by a two-thirds majority of the votes cast, refuse to admit any delegate or adviser

deemed not to have been nominated under the required provisions.

The governing body consists of 40 persons: 20 representing governments; 10 representing employers; and 10 representing workers.

Of the 20 persons representing governments, 10 shall be appointed by the members of chief industrial importance.

The persons representing employers and workers respectively are selected by the employer and worker delegates to the Conference.

The period of office of the governing body is 3 years.

The Director General of the ILO is in charge of the International Labor Office. He is appointed by the governing body and subject to instructions of the governing body.

David A. Morse, former Assistant Secretary of Labor of the United States, is the Director General, a position he has held since 1948.

The staff of the International Labor Office is appointed by the Director General under regulations approved by the governing body. So far as possible he shall appoint persons on the staff of different nationalities, and a certain number shall be women.

The functions of the International Labor Office include the collection and distribution of information and research relating to labor and working conditions; the conduct of special investigations as may be ordered by the Conference or the governing body; the preparation of documents on the various items of the agenda for the meetings of the Conference; the giving of appropriate assistance to governments in the framing of laws and regulations on the basis of decisions of the Conference; and the performance of the other duties connected with the operations of the International Labor Office.

The staff consists of approximately 700 persons from more than 50 countries.

PROCEDURE OF THE CONFERENCE

The procedure of the Conference is regulated by the constitution of the ILO and the standing orders.

It might be helpful to outline the procedure of the 1957 Conference.

The Conference met on the first day in plenary sitting. It was formally opened by the Chairman of the governing body, and then proceeded to the election of its President. After this plenary sitting the government, employer, and worker groups met separately, elected their own officers, and decided on nominations for the three Vice Presidents, for the Selection and the Credentials Committees. The Conference met in plenary sitting, elected three Vice Presidents and appointed the Selection Committee. The Selection Committee then made proposals for the members of various committees and their composition. The government, employer, and worker groups then nominated the memberships of the various committees, which submitted them to the Selection Committee which in turn referred them to the Conference in plenary sitting. After these preliminary arrangements had been completed the Conference proceeded with the discussion of the agenda.

The committees began their work immediately after their appointment. After about 3 weeks of discussions and votes in the committees, the reports were prepared by the reporter and submitted in draft for final action by the committees. With the approval of the reports the work of committees came to an end. The reports were then published in the Provisional Record—the daily journal of the Conference—and considered by the Conference in plenary sitting. Amendments to the proposals of the committees must be given in writing to the clerk of the Conference. After the proposals and the amendments thereto had been discussed and voted on by the Conference, the texts were referred to the Drafting Committee of the Conference to be put in final form. Final votes were taken on the prepared texts in the Conference in plenary sitting.

The agenda for all meetings of the Conference is settled by the governing body. Any of the governments of the members may formally object to the inclusion of any item. Decision by a two-thirds majority of the votes cast by delegates present is required to exclude an item or items.

ITEMS ON THE AGENDA (1957)

First. Report of the Director General.

Second. Financial and budgetary questions.

Third. Information and reports on the application of conventions and recommendations.

Fourth. Forced labor—second discussion—first discussion in 1956.

Fifth. Weekly rest in commerce and offices—second discussion.

Sixth. Protection and integration of indigenous and other tribal and semi-tribal populations in independent countries—second discussion.

Seventh. Discrimination in the field of employment and occupation—first discussion.

Eighth. Conditions of employment of plantation workers—first discussion.

CONVENTIONS AND RECOMMENDATIONS

When the Conference has decided on the adoption of proposals with regard to an item on the agenda, it is the decision of the Conference whether the proposals should take the form of (a) an international convention—similar in effect to a treaty—or (b) a recommendation.

Conventions and recommendations are adopted by a majority of two-thirds of the votes cast by the delegates present. Member countries are not obligated to ratify any convention. They must submit reports in regard to the matters dealt with in conventions when requested to do so by the governing body.

Considerable discussion and controversy has occurred in the United States over the convention form. Although we have been a member of the ILO since 1934, and during that period of time 104 conventions have been passed, only seven conventions have been ratified by the United States—mainly dealing with maritime matters—which is an indication of the general opposition by the United States to such form of proposals before the ILO.

SHOULD THE UNITED STATES PARTICIPATE IN THE ILO?

The decision of Russia in 1954 to reenter the ILO after an absence of 15 years started the active debate over the question of United States participation in the ILO—particularly on the part of the United States employer groups. One of the principal complaints is over the seating of employer and worker delegations from the Iron Curtain countries on the grounds that they are not free agents but rather are subject to and reflect the views of their governments, thus making a mockery of the tripartite nature of the ILO.

Other complaints are:

First. The activities of the ILO have gone far beyond the original concept of achieving social justice by improving working conditions of the peoples of the world.

Second. Undue interference with the internal affairs of countries.

Third. The ILO is used as a propaganda forum for Socialist ideas, and its staff and technical assistance programs are used in advancing the spread of Socialist doctrines.

Fourth. Various functions of the ILO could be performed by other agencies.

Personally, I recognize the validity of many of the complaints or criticisms. I do not agree that the complaints warrant our withdrawal from the ILO. I do believe, however, that changes should be made to correct certain criticisms.

Because of the criticisms, the Departments of State, Labor, and Commerce, in May 1956, appointed a special committee, headed by Mr. Joseph Johnson, president of the Carnegie Endowment for International Peace, to inquire into the effect of the activities and functions of the ILO in terms of United States national interest to study the value of continued United States membership; and to report recommendations.

It is pertinent to note the conclusions of the committee.

First. The world is in a state of rapid change. New nations are emerging, and others are moving toward independence. There is a noticeable developing demand for betterment by people who have suffered from starvation, disease, and despair. These changes are of concern to the ILO.

Second. The challenge of communism seeking to capture the minds and hearts of people everywhere, particularly in Asia and Africa, is a reality.

Third. The growth of international organizatons. Approval or disapproval is irrelevant. The organizations exist; the fact of their existence should be recognized.

Fourth. The United States played a leading role in the creation of the United Nations and the specialized agencies, and has taken a prominent part in the work of all of them since World War II.

Fifth. The ILO has an important part in the program of technical assistance of the U. N. and the specialized agencies.

Sixth. In the international field the ILO has been assigned specific tasks to perform, and no other organization could assume them without major and troublesome changes to work out.

Seventh. The variety of attitudes toward the ILO organized labor movements of most free countries and the governments of many nations regard highly the ILO. Many employer groups in various countries hold it in some regard.

Eighth. The concepts of the role of government in the economic life of a country cover a broad field.

Ninth. The world has changed greatly since 1946 which has changed the role of the ILO—from emphasis on the improvement of working conditions to assistance to the peoples of underdeveloped countries to attain the basic needs of better living.

Tenth. The struggle between Communist effort to seduce and capture the emerging peoples and the Free World's drive to help them to freedom have caused the ILO to become an important battleground. For the United States to withdraw from the ILO would leave the field to Russia. The return of the Kremlin is one of the principal reasons why the United States should not withdraw.

The United States policy toward the ILO and our participation in that organization must be considered primarily in terms of the goals of United States foreign policy. This is a basic premise in the mind of the committee.

Also, the committee believes strongly that the purposes stated in the preamble of the constitution of the ILO—to improve working conditions—are expressive of the American ideals and the promotion of these aims is in the national interest. To the extent that the ILO contributes to narrowing the vast differential in labor standards existing in the world today, it improves the competitive position of American industry and serves the interests of American labor.

The committee, after consideration of all the conclusions mentioned, recommends that the United States not withdraw from the ILO—a decision which I endorse.

SPECIFIC RECOMMENDATIONS

After stating the committee's recommendations, I will make additional recommendations based on personal observations and opinions.

The committee recommends that:

First. The Department of State, as the principal agency under the President responsible for United States foreign policy, take the leadership in collaboration with the Departments of Labor and Commerce, in a clarification of the place of United States participation in the ILO in furthering our broad foreign policy objectives.

Second. That the appropriate agencies of the Government set up formal machinery for periodic discussion and development of policy objectives by Government officers, employees and labor for United States participation in ILO. There has been a serious lack of coordination and communication between the interested Government agencies as well as employer and worker delegates, in the formulation of positions to be taken in ILO meetings.

Third. That the United States Government take specific measures to improve the organization and staff responsible for United States participation in the ILO. There should be (a) provision for continuous high-level United States Government representation at Geneva, with year-round liaison with the International Labor Office; (b) careful consideration of the quality of the delegates and advisers, continuity in representation, adequate staffing and thorough preparation. There should be frequent meetings, prior to ILO meetings, with representatives of the State, Commerce, and Labor Departments. Knowledge and teamwork are essentials of effective performance at the ILO meetings; and (c) adequate and efficient organization and staffing in Washington.

Fourth. That the United States work for decreased emphasis on the use of conventions and recommendations; but when they are under consideration, the merit of the proposals should determine the United States vote for or against them, not the form of the proposals. For example, the United States is opposed to forced labor, but if we voted against it only because it was in convention form, it would be a difficult position to explain and would certainly be misleading to the rest of the world. The opinion of the committee is that the United States is completely protected by the ILO process and our own Constitution. Actually, no action taken by the ILO in the form of a convention or a recommendation is binding on a member State without its assent thereto in accord with its own constitutional processes. The Constitution of the ILO provides that a Federal state such as the United States may treat conventions that are not properly within the Federal jurisdiction as recommendations only.

Fifth. That the United States focus more attention on the technical assistance programs, the field services and the research and information operations of the ILO, and take leadership in proposing practical suggestions for improvement, integration and expansion of those activities.

Sixth. That the United States support the continuation of the tripartite structure of the ILO and use it to demonstrate to other nations the advantages derived from the activities of free employers and free workers.

Seventh. That the United States seek to change the present emphasis of the ILO industrial committees from that of a final vote on a matter, to one of discussion and exchange of expert information; that industrial committees be set up to meet specific problems rather than the present practice of perpetuating committees.

Eighth. That the United States work to improve the international labor office staff, emphasizing greater objectivity and competence of staff work.

Ninth. That the United States Government enlist the cooperation of American employer and employee organizations, and strive for the adoption of proposals to improve the work of the general conference and its committees.

Tenth. Finally, that the United States Government make a continuous effort to inform the people of America of the purposes, objectives, and activities of the ILO, with particular emphasis on the fact that it is the one specialized agency of the United Nations devoted to the improvement of management and labor standards throughout the world.

I believe that the committee has analyzed the entire subject matter carefully and well. Their recommendations would go far toward correcting many of the criticisms now leveled at the ILO.

There are some additional recommendations which I would like to make based on personal observations.

For a small amount of money—less than $3 million per year—the United States has available in the ILO a worldwide medium or forum for selling our ideas. We should be much more aggressive and effective in using that opportunity. The United States has a reputation for her ability to sell goods and services. Here is a chance to put that ability to work in selling American ideas and ideals to the rest of the world.

Meetings of the conference should be less frequent; one every 2 or 3 years should be sufficient.

There should be better screening of the conference programs. Daily lengthy speeches on the Director General's report tend to become tiresome and boresome. Reports on technical services rendered, and discussions of future programs in the field would be more interesting and helpful. A discussion of some of the problems arising in various areas, and suggestions of experts for their solution would be informative and valuable to many delegates.

The name "International Labor Organization" is quite misleading to many people. There is a prevalent belief that it is an organization composed exclusively of labor representatives. "International Labor-Management Organization" or some such designation would be more descriptive.

Prior to important votes there should be closer and more effective liaison work with delegates of other member states. Frequent contacts socially and at the conference would produce more opportunities to win support for various proposals.

Some delegates and advisers have too many committee assignments. They are kept busy trying to attend too many meetings on different subjects. In Congress an effort has been made to cut down the number of committee assignments in order that a member can give more effective and concentrated attention to fewer legislative matters. The same plan should be adopted in ILO.

I cannot end this report nor sever my membership in Congress without saying how much I have valued the opportunity to attend the 1956 and 1957 conferences of the ILO. It has been an experience which will be remembered for the rest of my life. To associate with representatives from 77 countries gives one an understanding and leaves an impression that no amount of reading could ever provide.

My travels abroad have been very limited—two in number—in the 13½ years of my membership in Congress. I realize it has been a mistake. I am

strongly of the opinion that every Member of Congress should visit other nations during his tenure of office. It will provide invaluable background information in his consideration of many problems before us today. The publicized unfavorable actions of a very few Members of Congress should not obscure the value of such trips.

I close this report with the earnest hope that it will provide information and be helpful in judging the value of continued United States participation in the International Labor Organization.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. BAILEY. I would like at this time to commend the distinguished gentleman from Pennsylvania for his very excellent report on the recent conference of the International Labor Organization held at Geneva in June. It was my pleasure to serve as an adviser from the Congress with the distinguished gentleman from Pennsylvania. I want in particular to commend him for the part he played in checkmating the efforts of the Soviet bloc to control the conference and to block the attempts of the conference to control and bring to the attention of the world the dangers in forced labor.

I think it was largely the work of the distinguished gentleman from Pennsylvania that led to the conference barring the Hungarian workers' representatives and industrial representatives due to the fact that they were mere puppets of the Russian regime and not representatives of the Hungarian people.

I want to join the distinguished gentleman in suggesting that we continue our membership in this organization. I was observant of the shortcomings; but the opportunities for great good are such that we should continue to remain in this organization with the idea of improving its technique to the point where we can use it, as the gentleman from Pennsylvania said, as a medium of selling American ideas to the rest of the world.

I again want to commend the gentleman from Pennsylvania.

Mr. McCONNELL. I thank the gentleman from West Virginia very much. The gentleman has always been interested in labor problems and better working conditions for the laboring man. He was with me on the trip this past June, and I think both of us received quite a bit of information. It was an experience we will not soon forget.

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. McCONNELL. I yield.

Mrs. BOLTON. It is a very happy moment for me to have the opportunity of saying to the distinguished gentleman from Pennsylvania that he certainly has made a contribution to us all in his service on the committee and especially through his service in going over to the general conference in Geneva.

I was glad to hear the gentleman speak of the difficulties that arise from having the supposedly three representatives from the Soviet and satellite countries present, all of them under the domination of the Government. How can there possibly be anything but confused difficulty in any voting?

Mr. McCONNELL. As the gentlewomen knows, that has been a controversial issue. What the conference has done during the past few years is to seat employer groups from the Iron Curtain countries but with a special type of deputy membership which does not permit them to vote.

Mrs. BOLTON. I did not know that.

Mr. McCONNELL. It is a continuing argument, however, and some day will have to be dealt with directly.

Mrs. BOLTON. Our employer groups were not happy about it.

Mr. McCONNELL. Not at all. That has been the reason for their opposition.

Mrs. BOLTON. I thank the gentleman for his very wonderful contribution.

Mr. SCOTT of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Pennsylvania.

Mr. SCOTT of Pennsylvania. May I say to the gentleman from Pennsylvania that I also wish to commend him for the complete and discerning and informative report he has given of the operations of one of the international organizations. Those of us who have served at the international organizations as delegates come back, I think, peculiarly aware of the fact that the Russians have been quick to use these as a window on the world and as a forum for their opinions. They have consistently been rebuffed in each and every organization where American delegates have been present, and they have failed to accomplish their major propaganda objective. In most of these organizations they seek to secure the admission of Red China and they have lost every round on that. They have continually sought to exploit their opposition to the Free World and to the methods, measures, and programs of the West.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I am for this reason anxious that we continue our representation, having in mind the splendid work which the gentleman himself did in advancing American points of view and the American program and standing as a bulwark against the Soviet approaches which certainly were not in the interest of the Free World. I am also glad that the gentleman mentioned the subject of Congressional travel. He has never at any time exercised this privilege, as I know, except upon official and important business. There are many of us here who feel that Congressional travel is not to the benefit of the people we represent. But, in my opinion, we ought to have more of it rather than less. Even if we only learn that the world is round, we make a discovery which is of benefit to us as Members. Certainly we learn much more about what happens to the money which we are called upon to spend in the world and about the wisdom of spending it; or, perhaps the wisdom of ceasing to spend it, because we have had an opportunity to view the situation on the spot.

I conclude by saying to the gentleman that I am sure there is not a Member of this House who will not regard it as a great personal loss that the gentleman has decided to resign on September 1. He is leaving us, of course, in the finest way in which a Member can leave; that is, by his own choice. We regret he has made that decision. Our best wishes go with him. He knows every one of us is extremely fond of him and whatever he does or wherever he goes he does so with the Godspeed and good will of all of us.

Mr. McCONNELL. I thank the gentleman very sincerely for the remarks he has just made.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Illinois.

Mr. SPRINGER. I know of the work the gentleman has done in representing not only this body but the United States at these international labor organization meetings. During the past, at least 12 or 15 years, no one has made a stronger fight against communism than has American labor because they have so much at stake if communism should triumph. The gentleman in all of his work has truly represented not only America and this Congress but also the point of view of labor which is in this country generally anti-Communist.

Mr. Speaker, may I just add a personal remark here. I have enjoyed serving with the gentleman these years that I have been a Member of the Congress. He has been so kind and thoughtful in answering the many questions I brought to him, helping me to come to some result on the problems with which we were faced on the important committee on which he served. I know the gentleman will be greatly missed not only by me but by every Member of this body when he departs on September 1.

Mr. McCONNELL. I thank the gentleman.

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Minnesota.

Mr. WIER. Mr. Speaker, I feel privileged at this time and on this occasion, with this subject of ILO on the floor here, to make a few remarks particularly since I come from the ranks of labor. I do not know of any Member of this House who could have served the objectives of this particular mission any more capably and efficiently than the gentleman from Pennsylvania [Mr. McCONNELL]. I have had 9 years of association with the gentleman from Pennsylvania on the Committee on Education and Labor. I, like many others here, feel the loss of a great association. SAM McCONNELL, to me, has been most tolerant, most understanding, a most friendly leader in the perspective of the problems that our committee becomes confronted

with from time to time. And, in this particular field, SAM, I think you are ideally fitted for carrying on the job that lies before us here in this country in selling to the workers of other nations and the employers of other nations the real objective of unification and of working together in search of goals to make tomorrow a better day for all than yesterday was. Before you leave I hope to be able to say a few more words in behalf of a great associate.

Mr. McCONNELL. I thank the gentleman.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I desire to associate myself with the remarks just made by my colleague, the gentleman from Minnesota [Mr. WIER]. I know that I speak the sentiments of every Member of this House when I say that the decision of the distinguished gentleman from Pennsylvania, Mr. McCONNELL, to retire from this body grieves us all deeply. As all Members well know, SAM McCONNELL is one of the outstanding Members of this House. His service and leadership here have been of extraordinary quality. He is at one time one of the best loved and most respected Members of the Congress. We shall miss him. We wish him Godspeed in his new undertakings. We all know he will continue to distinguish himself in the service of his fellow man.

Mr. McCONNELL. I thank the gentleman very much.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. McCONNELL. I yield to the gentleman from Indiana.

Mr. MADDEN. Mr. Speaker, I wish to associate myself with the remarks that the gentleman made regarding the International Labor Organization. Three years ago I visited Geneva when I was in Europe attending Congressional committee hearings. I visited several session of the ILO convention which was convening at that time. I observed the great work of the ILO, and I endorse everything that the gentleman has outlined in his remarks today. The delegates from the United States and other free nations contributed greatly to exposing facts about Communist slave labor. The Soviet sphere of delegates would have taken over this great organization if it had not been for the participation of the United States in these conventions. I served on the Committee on Education and Labor with the gentleman from Pennsylvania in the 80th Congress, and have always admired his work as a legislator. I regret very much to learn that the gentleman is retiring from this body, because during his service here in the Congress he has indeed made a great contribution to legislation in different categories, including his service on the Committee on Education and Labor. I have disagreed with the gentleman on a few occasions, but nevertheless I always admired his consideration for the views of others and his great fairness and judgment on legislative matters. I wish to commend him for the outstanding work and contribution he made in this session to secure enactment of the school construction bill. We failed by only 6 votes on this necessary school construction bill, but that should not detract from the great work which the gentleman from Pennsylvania did in committee and on the floor of the House. It is indeed unfortunate that he is leaving this body. I hope that his future in his new civilian assignment will be as highly successful as his legislative career in the Congress of the United States.

Mr. McCONNELL. I thank the gentleman sincerely.

H. R. 376

Mr. ALBERT. Mr. Speaker, I should like to announce to the House that the bill, H. R. 376, to amend the Commodity Exchange Act and prohibit trading on onion futures in commodity exchanges, will not be called up under suspension of the rules on Monday next.

COMMITTEE ON DISTRICT OF COLUMBIA

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia have until midnight tonight to file a conference report on the bill H. R. 1937.

The SPEAKER. Without objection, it is so ordered.

COMMITTEE ON PUBLIC WORKS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a conference report on the bill S. 1520.

The SPEAKER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE

Mr. ALBERT. Mr. Speaker, on behalf of the Committee on Agriculture I ask unanimous consent that that committee may have until midnight tonight to file reports on the bills H. R. 7900 and S. 1962.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TO AMEND THE AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. ALBERT (on behalf of the Committee on Agriculture) submitted a conference report and statement on the bill (S. 959) to amend the Agricultural Adjustment Act of 1938, and for other purposes.

DECLINING RURAL MAIL SERVICE

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. STAGGERS], is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, I, too, agree with those who have spoken on the services of the gentleman from Pennsylvania [Mr. McCONNELL]. He has contributed much to our American way of life and when he leaves the Congress, I am sure he leaves with the good wishes of all Members.

For the past 5 years we have been deluged with press releases and press statements from the Post Office Department describing improvements in the postal service. We have had it dinned into our ears by Madison Avenue propagandists that the postal service has been improved in many ways.

From where I stand, the only improvements that I have noted are that the trucks and mail boxes are now painted red, white and blue. The trucks are pretty now; pretty slow, pretty late, and pretty infrequent. The improved postal service is a mirage; as you approach it, it ebbs and fades—this is particularly true when you come to the rural service. Mark it well—I am not blaming the postal employees, who are underpaid and overworked. I am blaming management that follows penny-wise and pound-foolish policies. The administration that has set up a triple set of administrative officials from one end of the country to the other. Country post offices have become parade grounds for a host of regional officials, district officials, management engineers and others. It takes several people to supervise the work of one. Perhaps that is why the Post Office Department has found it necessary to cut the star route service, the number of fourth-class post offices, and the number of rural routes. These highly paid engineers and managers have to do something to justify their existence, so instead of letting well enough alone, they parade the country crippling postal operations.

In all the time I have served in this body, I have never received as many complaints on postal service as I have recently. Every day brings a complaint—a star route is eliminated; the mail arrives at a later hour; a rural route is eliminated; more delays. A fourth-class post office is discontinued, striking a death knell to the center of a good wholesome rural American community. The savings are infinitesimal, the confusion tremendous.

I suggest that we put some of these confusion experts to work and restore a few rural and star routes. I suggest that we discontinue cutting down and eliminating fourth-class post offices. There were 75 fourth-class post offices closed in 1956. What are we trying to do—eliminate rural America? Are we going to adopt the Russian collectivist system, where people are herded in cities and go out to the farms? Or are we going to protect and preserve the wholesome, individually owned American farm? I deplore this hard-booted attitude of the Post Office Department that is crushing out essential elements in rural America.

Testifying on mounted routes before the Appropriations Committee of the House, Mr. Hahn of the Post Office Department told the committee that they were cutting out 50 star routes in 1958. He also made the following comment:

> The reduction in the number of routes is brought about not by the reduction of service but by consolidation of routes. Each time the contract on a route expires, we make a careful investigation in the area with a

view of consolidating where we can do so, so as a general rule such consolidations permit reductions in our overall costs.

I have news for Mr. Hahn—the reduction in the number of routes has brought a reduction in service. I have it on the word of the people in my district who complain with righteous indignation of the service they are receiving.

For the past 5 years Postmaster General Summerfield has vainly sought an increase in postage rates. I have some suggestions that he might follow if he is to secure such an increase. First, give the American people better postal service and fewer press releases. Second, give the American people more men to deliver the mail and fewer people to foul up the operations with layer on top of layer of duplicated management. The American people would be willing to pay higher postage rates for better postal service; but they will certainly object to paying higher rates for the present fading postal service.

I want to again emphasize, so that there will be no misunderstanding, that it is the fault of this administration that we are living in the age of "mail confusion" and Mr. Postmaster General Summerfield is doing little to correct the situation. Again and again I have urged that the mail service be retained as the patrons want it, not changed at the whim of the top echelon so that another news release can be sent out.

THE RIGHT TO KNOW

The SPEAKER pro tempore (Mr. BOLLING). Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 15 minutes.

Mr. HOFFMAN. Mr. Speaker, since June 9, 1955, a special subcommittee of the Committee on Government Operations has been making investigations, holding hearings in connection with the alleged refusal of the executive departments to give to the public, to individuals, to Members of Congress, and Congressional committees, information in the custody of the departments.

The committee has an active, competent, industrious staff and has had the assistance of those who engaged in collecting, publishing, and distributing news as a commercial venture. Beyond question, the investigations and the hearings which have been held, as well as others which will be held, have been conducive to a better understanding of the desirability of a wider dissemination of information, as well as of the necessity of protecting information through suppression, where indiscriminate rules or any rules at all might endanger the national welfare.

The testimony taken has been and undoubtedly will continue to be of almost inestimable value, not only to the public at large, but to the departments and those who control and direct their operation.

The investigations and the hearings apparently started with the query as to what legal authority the departments relied upon when a refusal was made to divulge particular information. Counsel and committee members have frequently, in substance, asked "Upon what authority do you or the department refuse to divulge the information requested?"

The reply almost invariably has been a reference to statutory provisions,[1] and to the letter of the President of May 17, 1954, to Secretary of Defense Wilson.[2] The letter was accompanied by a memorandum from the Attorney General, which referred to the previous practice and incidents.[3]

The issue involved is one which confronted our first President. It will undoubtedly continue to be an area of disagreement between the executive and legislative departments so long as our Government exists.

More recently, in fact, on August 14 last—CONGRESSIONAL RECORD, pages 14737–14738—the right of a Member of the Congress to know what was in the files of a Congressional committee arose when the Member from the Fourth Congressional District of Michigan arose to a question of personal privilege and privilege of the House.

The Reorganization Act provides that Members of the House and of committees shall have the right[4] of access to all material in committee files.

The Member from the Fourth Congressional District of Michigan was the ranking minority member of the Committee on Government Operations, and ex officio with all the rights and privileges of other members was a member of the Chudoff Subcommittee. He made application to the subcommittee's staff in their office to be permitted to take, through the use of a Thermo Fax copying machine, pertinent parts of the files which were relevant to a subcommittee hearing scheduled for September 16 at Portland, Oreg.

The right was denied him. The denial was followed by the presentation on the floor of the House of the question of personal privilege and of privilege of the House.

The Speaker ruled in substance that neither the statute nor the rule which provided that the Member should have access to the records was broad enough to permit the taking of a copy through the use of the Thermo Fax machine—CONGRESSIONAL RECORD, page 14739. No authority was cited for that ruling, but the Speaker remarked:

> The SPEAKER. If a question like that came up in the House the Chair would certainly rule that the gentleman could not bring a machine in here and copy things around the desk.
>
> The Chair does not believe the gentleman has stated a question that violates the rules of the House.

The reply was made:

> Mr. HOFFMAN. No one is asking to take photographs, bring a machine into the House, though we do have a loudspeaker on the Speaker's desk and in the well of the House. That is an up-to-date, practical, and necessary device, so is the Thermo-Fax which many Members use in their offices for exact, quick copies. Well, that is the ruling I expected.

It was conceded that the Member had the right of access to the files, and no contention was made that the opportunity which he sought, to make copies through the use of the Thermo Fax machine, which is an instrument 9 inches by 15 inches by 18 inches, would cause any inconvenience or discomfort to members of the committee staff who had charge of the records.

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[1] United States Code, title 5, sec. 22:

"Departmental regulations: The head of each department is authorized to prescribe regulations, not inconsistent with law, for the government of his department, the conduct of its officers and clerks, the distribution and performance of its business, and the custody, use, and preservation of the records, papers, and property appertaining to it. (R. S., sec. 161.)

"SEC. 1002. Publication of information, rules, opinions, orders, and public records:

"Except to the extent that there is involved (1) any function of the United States requiring secrecy in the public interest or (2) any matter relating solely to the internal management of an agency—

"(a) Every agency shall separately state and currently publish in the Federal Register (1) descriptions of its central and field organization including delegations by the agency of final authority and the established places at which, and methods whereby, the public may secure information or make submittals or requests; (2) statements of the general course and method by which its functions are channeled and determined, including the nature and requirements of all formal or informal procedures available as well as forms and instructions as to the scope and contents of all papers, reports, or examinations; and (3) substantive rules adopted as authorized by law and statements of general policy or interpretations formulated and adopted by the agency for the guidance of the public, but not rules addressed to and served upon named persons in accordance with law. No person shall in any manner be required to resort to organization or procedure not so published.

"(b) Every agency shall publish, or, in accordance with published rule, make available to public inspection all final opinions or orders in the adjudication of cases (except those required for good cause to be held confidential and not cited as precedents) and all rules.

"(c) Save as otherwise required by statute, matters of official record shall in accordance with published rule be made available to persons properly and directly concerned except information held confidential for good cause found." (June 11, 1946, ch. 324, sec. 3, 60 Stat. 238.) (See H. Rept. No. 2497, 84th Cong., 2d sess., p. 64.)

[2] Committee print, 84th Cong., 1st sess., House Committee on Government Operations—Replies From Federal Agencies to Questionnaire Submitted by the Special Subcommittee on Government Information, p. 546.

[3] Supra, pp. 546–552.

[4] Subsec. 25 (a) of rule XI of the Rules of the House expressly provides:

"The rules of the House are the rules of its committees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees. Committees may adopt additional rules not inconsistent therewith."

Subsec. 25 (c) of the same rule, XI, provides:

"All committee hearings, records, data, charts, and files shall be kept separate and distinct from the Congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access to such records. Each committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee."

Later, and when on August 14, the matter was discussed, the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. CHUDOFF], stated "The files are open. You can copy them and look at them, but you cannot reproduce them."

In the revision of the gentleman's remarks the words "You can copy them and" were stricken.[5]

The basic issue of the right of the public to know what is in the records of executive departments is discussed in "The People's Right To Know" by Harold L. Cross, page 197 et seq. The author states:

> The dismaying, bewildering fact is that in the absence of a general or specific act of Congress creating a clear right to inspect—and such acts are not numerous—there is no enforceable legal right in public or press to inspect any Federal nonjudicial record.

When the inquiry is by Congress or a Congressional committee, there is, of course, the legal remedy of a citation for contempt and the Federal courts have almost universally held that if the information is sought by a legislative committee and will aid in the writing of legislation the departments must respond to the request.

On the issue as to whether, where the Federal statute gave the right to access, it carried with it a necessary implication of authority to make copies, there seems to be no direct judicial decision.

But, where State statutes have been involved, it has been almost universally held that the right to inspect carries with it the right to make copies:

> SEC. 2241. Right to make copies and extracts.
>
> The right of a stockholder to make copies, abstracts and memorandums of documents, books and papers is an incident to the right of inspection, being recognized as the common law. And a statute giving a stockholder the right to inspect and examine books and papers of the corporation gives him the right to make abstracts, memorandums or copies thereof, and the right to the assistance of counsel and copyists for the purpose. Some statutes expressly specify the right to make copies and minutes or extracts. The right rests, as does the similar right to examination, upon the broad ground that the business of the corporation is not the business of the officers exclusively but is the business of the stockholders. The right to make copies and extracts is limited in some States, and under some statutes the right to take copies is limited to such part as concerns the stockholders' interests. (Fletcher's Cyclopedia Corporations, permanent edition, vol. 5, ch. 18, pp. 844–846.)

The Reorganization Act provides that—

> (c) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the Congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access to such records. Each committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee (U. S. C., title 2, 72a (d)).

Where the State statute provided that the books of the corporation shall "be open to the inspection of every stockholder," it was held "as incident to such right is the right to have such inspection by a proper agent and to take copies from such books and records."

Bundy v. *Robbins and Myers* (Ohio Court 75 Northeastern Reporter, 2d series, 719).

In *Cincinnati Volksblatt Company* v. *Hoffmeister* (48 Lawyers Report, L. R. A. 734) the court said:

> The right to take copies from the records follows as an incident to the right to inspect.

Permit a repetition.

Inasmuch as the Speaker held that even though the statute expressly gave the right of access that right did not carry with it the right to make copies other than by pencil or pen, excluded the right to make copies other than by pencil or pen, excluded the right to make copies by modern equipment which would save time, insure accuracy, and cause no inconvenience, it is rather inconsistent for at least Members of the House, for committees of the House, to insist that the executive departments must not only give access to but furnish copies of their records to Congressional committees as has been the repeated demands of such committees.

It may be that when hereafter members of the Moss subcommittee or of its staff inquire as to by what authority executive departments refuse to make available their records not only to Members of Congress, Congressional committees, to the press or its representatives, or to individuals, to the previous reasons given for such refusal will be added the decision of Speaker RAYBURN made on the 14th day of August 1957.

Mr. Speaker, on page 14958 of the CONGRESSIONAL RECORD of August 16, 1957, I find a statement which says:

> Now, Mr. Speaker, I want to call the attention of the House to 12 notable misstatements of fact and to 9 unsupported opinions offered in the speech of the gentleman from Connecticut.

I notice he is before me. I should like to know what he has to say about that.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Connecticut.

Mr. MORANO. I read the speech made by the gentleman from Oregon last night. Of course, when you reduce that long speech to the essentials and remove from it the distortions and the inaccuracies and even the gibberish, you will find that the four basic charges made were not only not denied, they were admitted.

For example, I said the gentleman from Oregon favored trading with Red China, and he said and I quote, "I do advocate—I do favor the trade in nonstrategic materials with Red China." I said and charged that he advocated in his campaign for Congress, that he advocated the admission of Red China to the United Nations. And he said, "I do advocate recognition of Red China on the same basis that we recognize Soviet Russia," and so on.

Mr. HOFFMAN. Mr. Speaker, will the gentleman cite the page of the RECORD. There seems to be some difference of opinion between the gentleman from Connecticut and the gentleman from Oregon. You are reading there, I notice.

Mr. MORANO. The page is 14959.

Mr. HOFFMAN. Thank you. Thank you.

Mr. MORANO. Now I also made the charge that he advocated the overthrow of the Government of the Dominican Republic by revolution and on reading the transcript of the Meet the Press program on August 4, he was asked by Mr. Spivak, in effect this is the question: Do you advocate the overthrow by force and violence of the Dominican Republic by revolution? And he said, "I do" or "I would." Now those are the four basic charges that I made.

Mr. HOFFMAN. Mr. Speaker, to which gentleman from Oregon are you referring? There are several gentlemen from Oregon.

Mr. MORANO. I am referring to the gentleman you referred to who made the speech.

Mr. HOFFMAN. I did not mention any name. I was just reading from the RECORD.

Mr. MORANO. Neither did I. I have not mentioned any name, but you can see from the RECORD on the page you cited, 14958, when he was recognized by the Speaker, you will find his name. Now, does the gentleman yield further?

Mr. HOFFMAN. I yield. Yes; because this is rather important, I would think. Were you quoting this from Meet the Press a moment ago when you said he said, "I do" or "I would"? Which was it?

Mr. MORANO. "I would." His reply was "I would," meaning he would advocate the overthrow of the Government by revolution.

Mr. HOFFMAN. Of course, in fairness to the gentleman, there is a little difference between I do and I would.

Mr. MORANO. I will stand on the "I would." I do not have the transcript before me because I did not know—I did not know the gentleman was going to refer to this matter.

Mr. HOFFMAN. I did not either.

Mr. MORANO. But, I want to say to the gentleman—can you tell me what is the difference between Mao Tse Tung, the Chinese leader? Would you consider him a dictator?

Mr. HOFFMAN. To whom are you referring?

Mr. MORANO. To the head of the Red Chinese government. You pronounce his name, I cannot.

Mr. HOFFMAN. I must confess I am ignorant on that. I would suggest that the gentleman consult with Dr. Judd, our colleague from Minnesota. He knows a great deal about China.

Mr. MORANO. I do not see him on the floor so I cannot ask him, but let us call him Mao.

Mr. HOFFMAN. I have never been close to any of these Communists, even the ones here in Washington.

Mr. MORANO. What is his name—Mao Tse Tung? Well, anyway, will the gentleman answer my question?

Mr. HOFFMAN. Repeat it, please.

Mr. MORANO. Well, the question is. Do you consider the head of the Red Chinese government a dictator?

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[5] CONGRESSIONAL RECORD, p. 14763.

Mr. HOFFMAN. Well, without knowing anything about it, I would say most assuredly, he is somewhat, I would assume, his position in China is somewhat like that of Jimmy Hoffa of the teamsters. What he says is it. I know what Jimmy does. He has them beaten up with a piece of chain or choked around the neck with a yoke.

Mr. MORANO. The reason I ask that question is to make this point. The gentleman from Oregon advocates the overthrow of the President of the Dominican Republic by revolution, but yet I have never heard him ask or advocate the overthrow of the Red Chinese government by revolution. That is the point I am trying to make.

Mr. HOFFMAN. Maybe he had not gotten around to it. I want to say I want no part of this difference of opinion, but it seemed to me here when we admired and respected the gentleman from Connecticut and it was in the RECORD—called to my attention only a moment ago—that the gentleman from Connecticut had made so many misstatements, I wondered how that could be and I just could not believe this was so.

Mr. MORANO. Let us take another of these misstatements. He said—I am quoting the gentleman from Oregon——

Mr. HOFFMAN. What is his name?

Mr. MORANO. You will find that.

Mr. HOFFMAN. The gentleman has it before him, if he will be so kind. I have been so kind to him as to yield. It is not fair to the other gentlemen from Oregon.

Mr. MORANO. Well, the name is Mr. PORTER.

Mr. HOFFMAN. Thank you.

Mr. MORANO. All right. He said as follows:

> The gentleman is again in error, this time involving simple arithmetic, when he says that my amendment to deny mutual security funds to Latin American dictators was—

Now he quotes me—

> "almost unanimously condemned by a vote of the full House."

That is what I said.

Mr. HOFFMAN. He meant those who were voting, I think.

Mr. MORANO. No, it is what he said; I don't know what he meant. I continue quoting:

> The House has 435 Members with two current vacancies. I estimate that more than 400 were on the floor when this amendment came up for a vote. The tally on the division was 171 to 4.

That was 171 against the gentleman from Oregon, and 4 for him.

Mr. HOFFMAN. Well, I sympathize with him; I have been in that situation several times.

Mr. MORANO. In other words, there were 175 votes in all, less than half of the full House. We were sitting in the Committee of the Whole.

Mr. HOFFMAN. And by "full House" he means the number present.

Mr. MORANO. I guess so. He says it was a factual error. Now, let us do some arithmetic of our own. Let us say that 400 Members voted and the same percentage obtained as did obtain with the 175 who voted. My calculation shows he would have had 9 votes out of the 400; so it would have been 391 to 9.

Would the gentleman agree with me that that is almost unanimously rejecting an amendment?

Mr. HOFFMAN. Perhaps the gentleman from Oregon has the same fault I have. Sometimes I am in the minority, and I just think that the folks who did not vote or were not here would have been with me if they had been here. That is a comforting thought, at least.

Mr. MORANO. In other words, you believe the gentleman from Oregon figured that if the other 200 Members had voted they would have voted with him?

Mr. HOFFMAN. No, I am not expressing any opinion in the matter at all. I have not any opinion about what the gentleman from Oregon was trying to say or what he said, not at all; I just wanted to know of the gentleman from Connecticut what his views were, because I know the gentleman from Connecticut somewhat better than I know the gentleman from Oregon. I do not know the gentleman from Oregon so well.

Mr. MORANO. Let us get down to the basic issues.

Mr. HOFFMAN. All right.

Mr. MORANO. He advocates the admission of Red China into the United Nations. I do not. How does the gentleman feel?

Mr. HOFFMAN. Me?

Mr. MORANO. Yes.

Mr. HOFFMAN. Oh, I would not have any truck with any of these foreigners. You notice my vote all the way through on this program. I remember our late distinguished Senator from Michigan, Senator Vandenberg, when he turned over from isolationist to internationalist, he said it was taking the country into a situation where there was a calculated risk. You remember those words very well. He went along and supported those international boys almost to the day he died; but finally he saw the error of his ways.

Now, all I know about it is that we have been trying, but we have had at least two wars; we have spent billions upon billions of dollars, and only last spring the President himself and Secretary Dulles said that our situation before the rest of the world was worse than it ever had been before. So I want no more of it.

Do not ask me so many questions.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I would rather yield to the gentleman from Wisconsin [Mr. O'KONSKI], because he has some very definite views on this subject. But if he does not want me to yield to him, I will be glad to yield to the gentleman from Iowa.

Mr. GROSS. No.

Mr. MORANO. The gentleman from Oregon [Mr. PORTER] advocates trading with Red China. How does the gentleman from Michigan feel about that?

Mr. HOFFMAN. As long as the gentleman does not vote in my district, I do not believe he should be so specific about some of these things. My record is here. I told you a moment ago. You probably do not understand my colloquial language. I do not want any truck with any of them. Is that clear?

Mr. MORANO. That is clear.

Mr. HOFFMAN. Then do not ask me that one again. I just want to know whether you are as mistaken as the gentleman from Oregon seems to think by what he said and from what I read in the RECORD.

Mr. MORANO. Of course not.

Mr. HOFFMAN. You are right about that?

Mr. MORANO. I am right about the charges I make, which are, first, he advocates the admission of Red China into the United Nations. He has not denied that. Second, he advocates trading with Red China. I do not, he does. He has not denied that. Third, he said on the program that he would favor a revolution to overthrow the Dominican Government down there.

Mr. HOFFMAN. He probably will read this in the RECORD tomorrow, and Monday he will answer it.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. This is getting interesting.

Mr. PORTER. I was not here when this started. I wonder if he corrected the mistakes he made in his address, the 13 major factual errors.

I want to say that I do not advocate the admission of Red China into the United Nations. The gentleman is again mistaken. There were 14 major errors in his statement. I do favor trading with Red China on the same basis, of course, in nonstrategic materials, that the President approved in trading with Great Britain and Japan, because we have a bad situation in some parts of our country, including my State, and we should trade in nonstrategic materials, thereby we could get some economic benefits from it. There is a great deal of support for this out on the west coast.

As to what the gentleman said before with regard to my favoring revolution in the Dominican Republic and elsewhere, let me say that I think all of us are not in favor of overthrowing any government. I would hope it could be done by evolution and peacefully, but it is not usually done that way.

I thank the gentleman from Michigan for yielding to me at this time.

The SPEAKER pro tempore (Mr. BOLLING). The time of the gentleman from Michigan has expired.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Very briefly.

Mr. MORANO. Will the gentleman from Oregon answer yes or no as to whether or not when Mr. Spivak asked him on "Meet the Press," on August 4, "Do you advocate the overthrow by force and violence of the Dominican Republic?" did he not say, "I would"?

Mr. PORTER. Will the gentleman yield for the answer?

Mr. HOFFMAN. I think the gentleman should address the Speaker.

Mr. PORTER. Mr. Speaker, will the gentleman yield for an answer to the question?

Mr. HOFFMAN. I will. While it may not be of interest to other Members, I can see how it is very vital to the gentleman from Oregon and the gentleman from Connecticut, and I am happy to yield.

Mr. PORTER. As I said on "Meet the Press," yes.

Mr. MORANO. That is not a factual misstatement. He said that was wrong. He said that was one of the 12 or 13 misstatements I made, or whatever it was. If he is as right in the other 11 as he is in that one, then you can see, Mr. Speaker, that what he has been trying to do is evade the issue.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. PORTER. If the gentleman will turn to my remarks, he will see that I did not deny that I said I favored revolution. I said I denied that I favored the internal chaos which follows when a dictator is overthrown. The gentleman is as incorrect as he is in 12 other instances in his remarks. Why does he not talk about those? What about the 450 missing Americans behind the Iron Curtain? The gentleman said many of them were my Oregon constituents. That is what the gentleman said in his speech. The gentleman was incorrect.

Mr. MORANO. Constituents.

Mr. PORTER. There is not one who is a constituent in my district.

Mr. MORANO. I did not say your district. I said Oregon constituents.

Mr. Speaker, will the gentleman yield further?

Mr. HOFFMAN. I yield to the distinguished gentleman from Connecticut.

Mr. MORANO. Now, I just want to ask another question.

Mr. HOFFMAN. And then because of the lateness of the hour and the expiration of the 5 minutes, I do not believe I can yield but only just once more.

Mr. MORANO. I will not ask a question; I will make a statement, and it is to this effect: He has advocated in his campaign—and he can deny it if he wants to—he has advocated in his campaign for Congress the admission of Red China to the United Nations despite his denial on the floor here today. Maybe now he does not advocate it, but when he was campaigning for Congress he did advocate it, and that is what I said in my statement on the floor. Another thing, I would like to know whether the gentleman from Oregon favors the overthrow of the Red Chinese premier by revolution.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I will be delighted to yield.

Mr. PORTER. Answering the last question first, of course I do. Of course, everyone who believes in democracy or freedom wants to see dictators overthrown in favor of governments which are by consent of the governed. Now, in 1954, when I ran for Congress the first time, I did favor the admission of Red China to the United Nations. In 1956 I did not. And that was not one of the items which I said the gentleman made an error in connection with. In fact, he does not even mention that question in his speech.

Mr. MORANO. Well, then, you have not read the speech very carefully.

Mr. JOHANSEN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to my very distinguished and able colleague from the Third Congressional District of Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. I thank the gentleman. I would like to ask the gentleman from Oregon if his opposition to dictatorships includes opposition to Tito, the dictator of Yugoslavia, in whose behalf, if memory serves me correctly, considerable American aid is being voted in this Congress.

Mr. PORTER. Mr. Speaker, does the gentleman yield?

Mr. HOFFMAN. I do, Mr. Speaker.

Mr. PORTER. I am glad to tell the gentleman from Michigan that of course my opposition extends to every dictator, including Tito.

The SPEAKER pro tempore. The time of the gentleman from Michigan has again expired.

Mr. MORANO. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. HOFFMAN] may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I hope they will be able to conclude—temporarily, at least.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Yes; I yield.

Mr. MORANO. On page 14754 of the RECORD I said, Mr. Speaker, that the gentleman from Oregon in his 1954 campaign advocated the admission of Red China to the United Nations. And he calls it a factual misstatement. He said just previously on this floor that he did not advocate it. He did, in 1954, Mr. Speaker, but he has changed his mind in 1956, and what some of us Members of Congress are trying to do is to get the gentleman from Oregon to change his views about a lot of other things; namely, stirring up a lot of trouble in Latin America. If he would only desist from doing that, he would be performing a service to the foreign policy of the United States. That is what we are trying to do.

Mr. HOFFMAN. Mr. Speaker, as the gentleman concludes what he desires to say, I should like to make only one further observation. The gentleman is a young man. He has not had as much time as I have to repent. He is making progress, probably.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman.

Mr. PORTER. Let me say this: That the gentleman from Connecticut [Mr. MORANO] had the opportunity to be here last night. I asked him twice in the morning; I told his administrative assistant, and then before he left the floor, to be here to debate these matters. He did not do so.

If the gentleman will yield further so that I may answer the question he put to me about my position on the United Nations—just briefly.

Mr. HOFFMAN. I yield.

Mr. PORTER. In 1954 we were withdrawing our troops in Korea. So were the Chinese. In 1956 they had their troops. They had a pistol point at our heads. They were aggressors. Therefore, I changed my position, as many did, including Mrs. Eleanor Roosevelt and others, because they were aggressors. So they should not have been allowed to enter the United Nations. But they are a nation, and, as a nation that is not an aggressor, as they were not in 1954, they belonged in the United Nations.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. MORANO. It is to the gentleman's benefit that he changed his position.

Mr. HOFFMAN. That is all to the good.

Mr. MORANO. That is all to the good. We are making progress. If we continue to make progress then this colloquy has served some good purpose; would the gentleman from Michigan not agree with me?

Mr. HOFFMAN. The gentleman continues to ask me questions. I never have expressed and I do not intend to express an opinion about the views of other Members of the House. That is their business. I have trouble enough of my own.

COMMITTEE ON THE JUDICIARY

Mr. LANE. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tomorrow night to file a report on the bill S. 807.

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

There was no objection.

PAY RAISE IMPERATIVE TO RETAIN QUALIFIED DOCTORS, DENTISTS, NURSES, ETC., IN THE SERVICE OF VA HOSPITALS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, H. R. 6719 will provide salary increases for 6,024 doctors, dentists, nurses, and other professional people now serving the 173 hospitals and 17 domiciliaries maintained by the Veterans' Administration.

These highly skilled employees are essential to provide a high standard of medical and dental care for our veterans, under the largest Government-operated medical program in the world.

Without them, the whole program would collapse.

Yet, while extolling the virtues of competition and private enterprise, we expect these professional people to remain in Government service at salaries but little more than half the average income earned by their colleagues in private practice.

The result of this short-sighted and dangerous policy is that the VA is finding it increasingly difficult to attract and hold the qualified personnel it requires to maintain its services to the veteran.

A few days ago I had occasion to call the manager of a VA hospital to inquire as to why the scheduled surgery for a veteran had been postponed for one week. He told me that they run into this problem at the turn of each fiscal year. Doctors, dentists, nurses, and other key personnel leave to get better paying jobs on the outside, or to start up in private practice where the rewards are greater. The thinned-out staffs do their best, but are unable to catch up with the case-load until reinforcements arrive.

The VA gets good men and women but cannot keep them on undernourished salaries.

This bill is not intended to create more jobs, but to make it possible for the VA to attract and retain the key workers who are absolutely essential to its proper functioning.

For pay purposes, section 4 of this bill places all managers, whether lay or professional, of VA hospitals, homes, or centers, on a level with doctors of medicine in the chief grade. At the present time the bill would particularly affect 46 lay managers employed by the Veterans' Administration among the 173 hospitals and 17 domiciliaries. This provision of the bill is in recognition of the principle of equal pay for equal work.

I cannot understand why the Government expects its employees to work for salaries less than those paid for equivalent work in private industry. Or how it expects to keep qualified personnel in the face of this obviously unfair discrimination.

With this in mind, I want to emphasize the concluding lines of the following quote from the report of the Committee on Veterans' Affairs:

> While the committee recognizes that Government service in any field cannot compete equitably with the salaries paid private industry, or the income received by private practitioners in the medical and dental field, it is absolutely essential that a readjustment be provided to the employees of the Department of Medicine and Surgery if this medical care for our veterans is to be maintained.

There is an inclination in some quarters to gradually forget the meaning of our pledges to the veterans when, as members of the Armed Forces, they were fighting in defense of our freedoms.

The very first of these pledges was our obligation to provide adequate medical care for those who were wounded or injured, or whose health was undermined by their military service.

Adequate medical care means the very best we can afford to provide for them. Not the substandard care that they will get from undermanned staffs, or from poorly qualified or inexperienced professionals that the VA will have to employ if it is not authorized to pay salaries that will attract and hold enough competent doctors, dentists, nurses, and managers.

The case for pay increases is further strengthened by these two quotes from a letter written by the Administrator of Veterans' Affairs to the Committee on Veterans' Affairs:

> As initially estabished, the salary rates authorized by Public Law 293 played an effective part as one of the recruitment incentives. However, notwithstanding certain subsequent increases authorized for Federal personnel generally, they have not kept pace with the comparable net income of medical personnel in the Armed Forces and the Public Health Service and there is an ever-widening disparity in comparison to the net income of private practitioners. Surveys have disclosed that more than two-thirds of the physicians resigning from the Department of Medicine and Surgery listed economic causes as the reason for leaving. There is a continuing shortage of physicians in the Department. And: The recruitment and retention of physicians, dentists, and certain nurses is a major problem in our continuing effort to maintain the highest quality of medical care and treatment of eligible veterans. The moderate increases in salaries proposed by H. R. 6719 would, of course, not serve to cure all of our difficulties but I believe would materially improve the situation.

It is estimated that the cost of H. R. 6719 would be approximately $5,997,000 the first year. By the fifth year, it would only increase by an extra $854,000.

In relation to the scope and quality of care, and our firm obligation to veterans hospitalized in VA facilities, this is a small appropriation to accomplish so much that is good—and necessary—to prevent a breakdown in the high standard of VA medical care.

FBI FILES BILL

Mr. CRAMER. 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 Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, as Congress prepares to adjourn it is lamentable and, in my opinion, totally inexcusable and indefensible that no rule has been granted on one of the most urgently needed bills before the 85th Congress, H. R. 7915, the FBI files bill.

As a sponsor of H. R. 8388, one of the FBI files bills, and as one who fought for this legislation in the Judiciary Committee and as ranking minority member of the special Subcommittee to Study Certain Supreme Court Decisions, I am very concerned that it now appears that Congress will recess without clarifying the broad and very misleading Jencks decision.

The administration, the Attorney General, and J. Edgar Hoover have advised Congress of the seriousness of the situation where, in some cases, new trials have been granted, complete FBI files have been opened and, thus, the established law-enforcement procedure of the FBI is placed in jeopardy. This information, being made known to Congress, makes it incumbent upon the House to act and to act with expedition after due deliberation. The recent arrest and exposure of the Communist underground leader, Abel, whose cunning and skill at intrigue could only have been discovered by at least equally skillful FBI methods, not only demonstrates the need for retaining established FBI practices and preventing the uncovering of secret informants and heretofore unpublished techniques, but further demonstrates the need for immediate action to prevent Abel and other law violators from opening FBI files in their defense.

I am the first to insist that any person accused should have every protection guaranteed under the Constitution, but I am also the first to resist any effort to stretch these protections so far out of proportion that the accused can take advantage of these heretofore nonexistent rights in defending himself against a charge that he has willfully sought the overthrow of our Government, including the Constitution under which he is seeking his rights, as an accused.

The FBI files bill fully protects all of the defendant's rights, but it prevents the Jencks case from being construed as holding that the defendant has a right to rummage through the raw material, unverified and practically disproven background information not related to the defendant's case, contained in the FBI files and to which, prior to the Jencks case, no one conceived any accused had any right.

The bill is reasonable and was fully considered by the proper subcommittee and the full Committee on the Judiciary in both the House and the Senate and should have immediate action.

I urge that a rule be granted and the bill be passed before the recess. In my opinion, this matter is one of the most important before Congress and deserves immediate action.

In support of this position, I add some excerpts from the committee report, which incidentally was dated July 5, 6 weeks ago, that states the purpose of and need for this legislation:

> PURPOSE
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> The purpose of this legislation is to establish a statutory procedure for the production, from Government files, of certain reports and statements of Government witnesses for the use of defendants in Federal criminal proceedings who seek to attack the credibility of such witnesses. In so providing, the bill sets standards of interpretation (1) for safeguarding the needless disclosure of confidential information in Government files and at the same time (2) assuring defendants access to the material in those files which is pertinent to the testimony of Government witnesses.
>
> STATEMENT
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> On June 3, 1957, in the case of *Jencks* v. *United States* (353 U. S. 657), the Supreme Court held, among other things, that, for purposes of discrediting Government's witnesses, defendants in Federal criminal prosecutions are entitled to inspect "all reports [of Government witnesses] in its possession * * * touching the events and activities to which [the witnesses] testified at the trial." Conflicting interpretations by lower Federal courts as to the meaning of this statement and the necessity for a procedure which will be uniform throughout the Federal court system resulted in the introduction of legislation by Members of Congress seeking to clarify the effect of this decision. Representative FRANCIS E. WALTER introduced the instant bill H. R. 7915. Other bills were

introduced by Representative KENNETH B. KEATING, H. R. 8341; by Representative WILLIAM E. MILLER of New York, H. R. 8225; by Representative ALBERT H. BOSCH, H. R. 8243; by Representative HILLINGS, H. R. 8335; by Representative CRAMER, H. R. 8388; by Representative JACKSON, H. R. 8393; by Representative HOSMER, H. R. 8414; by Representative LOSER, H. R. 8416; by Representative POFF, H. R. 8423; and by Representative ALEXANDER, H. R. 8438.

The problem which arises from the above holding of the Supreme Court is the insistence of some—although not all—lower Federal courts (referred to in the statement of the Attorney General which follows at the end of this report) that entire reports of FBI and other Federal investigative agencies, such as the Narcotics Bureau and the Alcohol and Tobacco Tax Division of the Treasury Department, the Bureau of Immigration, the Defense Department, etc., be handed over to defendants even though only a small part of the reports relates to the pertinent testimony of Government witnesses. Under such circumstances, it is possible for confidential Government files containing information relating to the public interest, welfare, safety, and otherwise, to be disclosed even though such confidential and vital information has no material bearing on the case. Such insistence could lead to broad and harmful expeditions among documents possessed by the Government for purposes which have no direct bearing on the criminal prosecution for which they have been ordered produced.

To understand the seriousness of the situation, it is important to know what Government reports may contain. For example, reports of the FBI cover the full investigation of every phase of a case. They include not only interviews with possible witnesses but information received from confidential sources, volunteered statements, and all other information that has been obtained from the start of the investigation through the preparation of the case for trial. The reports necessarily include raw material of unverified complaints, allegations, and information. In some investigations it is necessary for the FBI to secure the most intimate details of the personal life of a victim of a crime to aid in the identification of the wrongdoer. Much of this information may subsequently prove to be wholly immaterial to the ultimate outcome of the investigation. Nevertheless, it is in FBI reports, and properly so, since FBI investigations record all information received, whether relevant or not and whether verified or not. The interpretation of some courts ordering the production of these reports in their entirety could seriously handicap the law enforcement of our Government agencies, in that, in addition to the disclosure of vital confidential information, the reports would also reveal law-enforcement techniques, intelligence sources, and the names of confidential informants, and could injure the reputations of innocent persons who have no real connection with the inquiry but whose names found their way into Government files because investigators who, in the interest of doing a thorough job, included them.

The Department of Justice, while accepting the main holding of the Jencks case, has expressed the view that by reason of what it considers loose interpretation by lower Federal courts of the Supreme Court decision, it is placed in a position where, if legislation is not introduced, it will have to abandon the prosecution of worthy cases in order to safeguard confidential information in the files of the Government.

Under the instant legislation, which the Department of Justice supports and the language of which it in fact suggested, a defendant in a Federal criminal prosecution, while he will be entitled to see pertinent reports and statements of Government witnessets which the Government has in its possession, he will obtain, instead of the entire reports or statements, only those portions which relate to the testimony of the Government witnesses at the trial. It should be emphasized that this legislation in no way seeks to restrict or limit the decision of the Supreme Court insofar as constitutional due process of a defendant's rights is concerned. While defendant will be entitled to pertinent portions of the reports and statements of Government witnesses which the Government has in its files, he will not be entitled to rummage through confidential information containing matters of public interest, safety, welfare, and national security. He will be entitled to so much of the reports and statements as is relevant to a witness' testimony for the purpose of attacking the witness' credibility. The instant legislation, in securing this entitlement to defendant, authorizes the trial court to inspect the reports and statements and determine what portions thereof relate to the subject matter as to which the witness has testified and to direct delivery of those portions to defendant for his use in the cross-examination of the witness.

There is nothing novel or unfair about such procedure, as Mr. Justice Burton notes in his concurring opinion in the Jencks case. According to Wigmore, and as quoted by Justice Burton, such a procedure is customary:

"It is obviously not for the witness to withhold the documents upon his mere assertion that they are not relevant or that they are privileged. The question of relevancy is never one for the witness to concern himself with; nor is the applicability of a privilege to be left to his decision. It is his duty to bring what the court requires; and the court can then to its own satisfaction determine by inspection whether the documents produced are irrelevant or privileged. This does not deprive the witness of any rights of privacy, since the court's determination is made by his own inspection, without submitting the documents to the opponent's view." (VIII Wigmore, Evidence (3d edition, 1940), 117–118.)

Such provisions as this legislation contemplates effect a two-fold beneficial purpose. It protects the legitimate public interest in safeguarding confidential governmental documents and at the same time it respects the interests of justice by permitting defendants to receive all information necessary to their defense.

JOB DIFFICULTIES OF PEOPLE OVER 45 YEARS OF AGE

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, on July 10, 1957, I placed in the CONGRESSIONAL RECORD an article which appeared in the Reader's Digest in the July issue of 1957, and an article that appeared in the Dallas Morning News, June 29, 1957. In the Washington Post, July 25, 1957, there was an article by Jeff O'Neill entitled, "Older Worker Gets Job Break." The article refers to the policy of the Lofstrand Company of Rockville, Md., concerning older workers. In the Evening Star, August 14, 1957, is an article entitled "Hire Older Workers, Employers Are Urged." I include each of the articles in my remarks today.

On April 4, 1957, I voted not to reduce an appropriation item in the Health, Education, and Welfare appropriations bill when this appropriations bill first came to the House floor this year so that as constructive and complete a study as possible in connection with the difficulties of older people getting work might be made by the proper officials of the United States Government. I voted in the minority, but I am told most of the money for this study has now been restored which I think is good.

For many years I believe I have recognized the seriousness of the problems that face older people who seek employment. In the early 1930's I knew a very experienced man in oilfield work who about the time he became 45 years of age and lost his job could not find anything like steady, gainful employment thereafter. He had 3 children, the oldest of whom was about 14. He was capable in his work, and his wife and children needed the income from his ability to earn as much as they had ever needed or would ever need that which he might earn.

For months, even though he was A–1 in his ability to do oilfield work, much of which required considerable skill, he sought work, but was told he was too old. From worry, disappointment, and humiliation because he could not provide for his family, he became ill and not too long thereafter passed away. My observation of the plight of this family has remained vividly with me. Incidentally, to be sure this was the "depression period," but I recall many younger men in the very active East Texas Oil Field worked quite regularly, for drilling in this field was at its height in those years.

During World War II it was clearly shown that older people as well as crippled and handicapped people could do good jobs of work in many phases of our economy. Their services were sought after and utilized. The Government as well as countless private companies utilized their services. To me this is ample proof that an unfortunate policy long had been followed pertaining to the group I have referred to. There is nothing worse than a useful person because he cannot get work feeling useless. His spirit is killed by such a feeling. He loses hope.

It is so much better for a person to sustain himself than to be compelled to draw social security, old-age assistance, or other benefits. There is nothing dishonorable about drawing these benefits, but how much more constructive it is for the person himself, his family and dependents, his church, his community or city, his county, his State, and the Nation if he is earning wages which amount, or a salary which amounts, in almost all instances to much more than the various types of benefits to which he might be entitled.

In recent months a lot has been said about the shortcomings of our schools and the shortage of good teachers. I am constrained to believe that the field of education has lost many years of worthwhile and valuable service of able teachers by virtue of a policy that frequently has decreed releasing a man or lady from his or her teaching job while the man or lady yet is physically strong and quite mentally alert. If a man ever

had good judgment, when he is 45 years of age or older, provided he has had an active and constructive career, whether his work has been that of manual labor or professional pursuits, he is more competent, capable, and experienced than ever before. He is more careful, cautious, and in many instances because of the need of those who look to him for support, more steady and more anxious to retain his employment or to merit promotion.

A person may be young in years, but old in hours. Certainly it is not my purpose to indicate that people under 45 are not highly capable and constructive in their employment. On the other hand as I have pointed out and as the articles I have included so clearly indicate, many older people—perhaps not as strong physically—have the keenest of minds and unbent spirits.

President Eisenhower is to be commended for having taken a great interest in this very real and constant problem. I trust the Congress and the divisions of our Government that are in a position to know about this problem and that industry in general will devote much time and attention to the finding in the not too distant future a solution to this problem.

The articles referred to follow:

[From the Reader's Digest for July 1957]

HELP WANTED: FOR THE FORTY-PLUS

(Condensed from Your Life)

(By Ronald Schiller)

Forty-seven-year-old Harry Davis boarded his usual commuter train in a pleasant suburb. There was nothing in his appearance that set him apart. But the appearance was a mask, for Harry Davis was a man in desperate trouble. After 23 years with the same firm, he had lost his $11,000 job as office manager when his company merged with a larger concern. And despite a year of heroic effort, he had been unable to find another position—because of his age.

When the train reached the city, Harry strode purposefully down the platform. But instead of boarding a bus or taxi to his office, as did the other passengers, he went into the waiting room. This was the moment when that feeling of despair and panic invariably assailed him. He waited for it to subside, then telephoned the three employment agencies where he had applications on file. He got the usual answers: "Nothing interesting for you today, Mr. Davis." Next he opened his newspaper to the employment section (he didn't like to read it on the train where friends might see him) and scanned the long columns, skipping those ads which specified "under 40" or "under 45," circling others which required personal letters. Most of the rest of the day he spent sitting in offices waiting to be interviewed by personnel managers, most of them younger than he, who had answered his letters regarding previous ads.

Harry's interviews usually went well. He is capable, intelligent, and well qualified for the positions he has sought. But he cannot hide the damning "Age: 47" on his application blank. He is on the wrong side of that mysterious, senseless 40-year age barrier which, in the American labor market, separates the employables from those considered "too old" to hire.

Among Harry's worst enemies are the pension and retirement plans that many firms have instituted to protect their employees. To hire a man Harry's age a company may have to pay twice as much in premiums as for a man in this thirties. When Harry has offered to waive his pension rights or pay the additional premiums himself, he has usually been told that it is against company policy or that it would mess up the bookkeeping.

A big problem to a man in Harry's position is to maintain his morale. A dozen times a day he has to remind himself, "You're in fine health, you're in the prime of life, you've had valuable business experience. You may land the very next job you apply for. Just keep plugging."

But these self-administered pep talks cannot stay Harry's rapidly deteriorating financial condition. Like many white-collar workers, he has never been able to save much money. There has been a family to raise—two sons—and his position has required that he maintain a good standard of living. He received 2 months' severance pay when he was discharged, and the State unemployment compensation helped while it lasted. But, outside of a little money in the bank, his only assets are a 3-year-old car, some life insurance, and a $16,000 house on which there remains a $10,000 mortgage.

I do not know what is going to happen to Harry and his family. When I last saw him he was on his way to another interview, for a job as supervisor of a shipping department for a small firm that would pay him $4,000 a year. "It's a young company," said Harry hopefully. "With my experience there should be plenty of room for advancement * * *."

Everything related here about Harry Davis is true except his name. But whatever we call him, he is important to us. He is representative of a growing reservoir of unemployed American men over 40, and women over 35. I have interviewed many such men and women, ranging from factory and office workers to professionals and executives. Their stories differ in detail from Harry's, but they all share three things: frustrated lives, shattered hopes, and fear of the future.

Age bias in employment is an increasingly serious matter in the United States because the proportion of middle aged in our population is rocketing upward. Fifty years ago the average life expectancy of American men was 47 years; today it is 67. Moreover, people today stay young longer. Their normal useful working life has stretched considerably. Yet employers continue to set age limitations in their hiring policies that might have applied in the 1890's.

The Department of Labor recently made an extensive survey of employers to find out why they don't hire older workers. The reasons were difficult to pin down. But the general feeling was that older people were too slow to meet production requirements, "too set in their ways," less creative than younger workers, harder to train, more prone to absenteeism, and that their physical condition was not as good.

The latter charge is undeniably true; if a job involves heavy physical work, a young man is apt to be better. But the other reasons have turned out to be myths. A survey of 3,313,000 employees made by the National Association of Manufacturers showed that in work performance 93 percent of the older workers were equal or superior and only 7 percent were not equal to younger workers. A more detailed study by the University of Illinois revealed that rates of absenteeism and lateness are actually lower among older employees, and that their loyalty, sense of responsibility, and morale are higher. They are also less prone to accidents.

On the white-collar and executive level a common myth is that serious morale problems develop if older men are put to work under executives younger than themselves. In cases where circumstances have forced the issue, this theory has failed to hold up. Two years ago, for example, a New Jersey electronic concern, needing executive help, violated its own employment age policy by hiring 2 men in their fifties. They turned out so well that last year 5 more were hired. "From now on older men get preference here," the young president of the firm told me. "They've upgraded the whole level of work."

"Actually," states the NAM report, "older workers are the cream of the crop."

As a result of such findings, a few large concerns have begun to reexamine their employment practices, with good results. One department store now makes it a policy to hire older workers. "Hiring employees over 40 is good business for us," reports a Chicago manufacturer, adding that any slowing of speed among older workers is more than made up by higher quality work. An insurance company, disturbed by the fact that many girl office workers quit work after a short time, now makes it a policy to hire older women.

The 40-plus clubs, composed of older unemployed executives who have banded together in several cities to help each other find jobs, were among the first agencies to dramatize the situation, and over a period of years report some remarkable successes.

The New York club has placed so many of its members in the past 2 years that it has had to advertise for new job seekers. The Boston club reports it returns to employment "83 out of every 100 men" within 8 to 28 days. The San Francisco club's roster has dropped by two-thirds.

Meanwhile, to help women over 40 find employment, San Francisco businessmen last year established an organization called Careers Unlimited. It has placed more than 50 women in jobs each month. Similar organizations have been springing up in other cities.

But hopeful as these activities are, they have not yet succeeded in skimming off more than a fraction of the middle-aged job seekers who report to Government employment agencies each month. The tragic fact revealed by the Department of Labor survey is that half of all employers still have age restrictions, and that between 50 and 60 percent of the job openings are still not available to men over 40 or 45, or to women over 35.

Federal and State Governments have not been idle. Two years ago the Federal Government took the initiative by abolishing age restrictions on Federal jobs. Five States—Colorado, Louisiana, Massachusetts, Pennsylvania, and Rhode Island—have passed laws forbidding age discrimination against workers, by either Government or private employers.

But employment experts now place their greatest hope in a new concept: Special job counseling for workers over 40. The Department of Labor plans to help install trained counselors in all 1,700 of its employment offices this year. The program is based on the highly successful experiences in Canada and New York State, where special advisers have succeeded in raising job placement of older workers by as much as 400 percent.

The job counselor's task ranges from helping an applicant to recast his whole plan for the future down to such simple advice as telling a woman to use less lipstick. Sometimes the counselor's most obvious advice requires the most persuasion, such as convincing a job seeker to be more realistic about pay demands, or to look for a job on the fringes of a city where younger people are often reluctant to work, or to retrain himself in a skill that is in greater demand.

In analyzing an applicant's qualifications the counselor also searches for hidden employable talents the job seeker may not himself know he possesses. Examples: A 55-year-old textile salesman, unemployed for 16 months, found satisfying work as a proofreader; a 59-year-old former Army paymaster won a position as head of the research department of an advertising agency.

Persuading employers to drop their age bars is the toughest part of the counselor's job. It takes missionary zeal, diplomacy, "and sometimes a touch of honest guile,"

says Joe Nawn, special counselor to the 40-plus job seekers at the Newburgh, N. Y., State employment office. Once an employer phoned Joe asking if he had a receptionist—"under 30, of course." Joe knew a widow who qualified in everything but age and badly needed the work. He talked so fast and enthusiastically about the lady's experience, ability, and charm that the question of age never arose again. A month later the employer called to say how pleased he was with his new receptionist. "Did you know she was over 50?" asked Joe. "Gosh," exclaimed the shocked employer, "I forgot to ask her age."

"No community today can afford to be without the services of a special job counselor for the 40-plus," says Senator Thomas C. Desmond, chairman of New York State's Legislative Committee on Problems of the Aging. "But the counselor cannot do the whole job. He needs the community's help."

Desmond's plan for community action consists of four steps: (1) Organize a steering committee of members from the local chamber of commerce, service clubs, and other civic groups; (2) make sure a special job counselor is appointed to the local employment agency; (3) utilize the local schools' vocational and adult-education services to retrain the unemployed when necessary; (4) enlist the community's biggest guns to help break down local employers' prejudices against older workers.

Any suggestion that older workers should be hired as a charitable gesture, or as a civic duty, infuriates Senator Desmond. "It should be no such thing,"he explodes. "Employers should hire them because it's to their own economic self-interest to do so. Older workers earn every dollar paid them."

The crisis that confronts the 40-plus right now, in an era of almost full employment, will seem minor compared with what we may expect in the 1960's, when the World War II "baby crop" enters the labor market. Unless business changes its attitude soon, warns Secretary of Labor James Mitchell, the growing number of middle-aged unemployed could become "the most potent group this country has ever known and force some kind of public program for its own survival."

The fact is, as President Eisenhower has stated, "We cannot afford to squander our manpower through a prejudice which obscures the values of maturity, responsibility, and constancy found in older workers."

[From the Dallas (Tex.) Morning News of June 29, 1957]

THE CASE FOR FOLKS OVER 45

(Reprinted from the St. Petersburg (Fla.) Times)

A myth, says Webster, is an imaginary or fictitious thing or person. The Times recently referred to the "vicious myth" concerning working ability of those over 65. Now, these unreal dragons again have been attacked by the New York State Labor Department. The department listed eight reasons given by employers for not hiring workers over 45 years old. The reasons and the truth:

1. They are less productive. The truth: Three surveys say that work by older workers is equal to or superior to that of younger employees.

2. They are often absent. The truth: Older workers have a 20-percent better attendance record than younger workers, said a 1956 United States Labor Department survey.

3. They are involved in more accidents. The truth: The same survey showed workers 45 and over had 2.5 percent fewer disabling injuries, 25 percent fewer nondisabling injuries than those under 45.

4. They do not stay on the payroll long enough to justify hiring expenses. The truth: Studies show separation rates for older workers much lower than for younger employees.

5. It is too costly to provide them with adequate pensions. The truth: "This is an easy generalization."

6. They will cause major increases in employee group insurance costs. The truth: Here again it all depends on the nature of the plan.

7. They don't have needed job skills. The truth: "On the contrary," the article says, "the older worker is likely to possess more skills, training, and know-how than younger job hunters."

8. They are inflexible and unimaginative, have trouble getting along with younger workers. The truth: An unjust, sweeping generalization which is seriously overrated.

The Bulletin points up again our national inconsistency in clinging to age limitations long since overcome, in deliberately wasting a large and necessary portion of our manpower potential. In the common interest, it is every man's business to challenge and correct any and all of these myths whenever faced with them. Equally, we should support and encourage such practical efforts as Industrial Experience, Inc., now being organized in St. Petersburg, to employed skilled workers over 65. In this aging Nation the bell of time is tolling. Either we will overcome these mythical figures or they will overcome us.

[From the Washington Post and Times Herald of July 25, 1957]

OLDER WORKER GETS JOB BREAK

(By Jeff O'Neill)

A Montgomery County manufacturing firm is tapping a pool of qualified technical manpower that other United States businesses appear reluctant to use.

Reversing a nationwide emphasis on hiring young men because of company pension plans, the Lofstrand Co. of Rockville recently hired 3 workers over 60 and is seeking others over 40.

The company, which fabricates precision equipment for the Government and commercial firms, placed an advertisement headed "Over 60—three men wanted now." Company officials called the response amazing.

Replies were received from 30 applicants, as well as congratulations from others who deplored the practice of retiring workers for age alone.

The company originally intended to hire experienced men for estimating work on contract bids. Its advertisement turned up applicants with such impressive backgrounds that 3 were hired for other jobs—1 as a liaison man and 2 for assembly work. The estimator positions are still open.

CONSULTANT OF 65

Lofstrand also has hired other men, under 60 but over 40, for engineering positions. These youngsters answered the ad for men over 60.

Among new employees is James M. Smith, 65, former engineering consultant for the Navy Ordnance Bureau. Smith, who also held topflight position in private industry, now is employed to promote liaison between the company and the Government.

Smith told of spending over a year and a half seeking suitable work after the liquidation of an electronic firm with which he was connected. He said typical of replies was: "If you're over 45, there's no use your coming in." Despite his wide engineering background, Smith said, only so-called drawing-board jobs were open.

In his letter of application, Smith said he hoped the company's policy "may help to stop a trend that could well become a national calamity and disgrace."

KILLING INACTIVITY

Smith said yesterday of those forced to retire: "What's killing them is inactivity and a feeling you're unwanted. You may as well take them out and hang them."

Smith explained that savings of the elderly can be wiped out by a single illness, then "their standard of living goes out the window." Many are forced to depend on their children for support, he said.

J. Slater McHugh, company vice president, says older men "have the rare ability to do exacting work and be satisfied," a trait company officials call uncommon among younger men.

Wesley I. Grant, Lofstrand sales manager, said: "We believe that manpower in upper ages has a definite contribution to our company. We have no prejudice against age or physical condition—as long as an individual can produce a reasonable day's work, we're willing to give him a chance."

[From the Washington Evening Star of August 11, 1957]

HIRE OLDER WORKERS, EMPLOYERS ARE URGED

NEW YORK, August 14.—Employers had better change their hiring habits and take on older men and women if they hope to keep on producing their share of the Nation's goods and services.

This word has been passed on to all employers in New York State—where 10 percent of the Nation's labor force works and lives—by the State labor department.

Hiring of older workers is "sound business," says Isador Lubin, New York's industrial commissioner, and it's "fast becoming a business necessity."

For, by 1965, the "most desirable employees—those in the 25-to-44-year-old group—just won't be as numerous, since to have reached that age in 9 years means to have been born during the depression—when not many people were having babies.

WORKERS' WORTH CITED

Moreover, backing its advice with solid statistics the labor department gives a resounding "Yes" to the question: Is the older worker worth hiring?

In its Industrial Bulletin, a standard fixture in personnel offices and union research departments throughout the State, the department explodes a variety of myths about the oldster at work.

These legends hold that after 30 or more years of work, a man or woman is less productive, less skilled, stays home too often, is accident prone and will not remain on the job long enough to justify the expense of hiring and adjusting him to the plant. Other obstacles to employing older people, employers believe, are increased pension and group insurance costs and the older fellow's alleged inability to get along with the youngster—both his supervisor and the man at the next bench.

BETTER PRODUCERS

Not so, says the Industrial Bulletin. Productivity studies by the National Association of Manufacturers, the United States Labor Department and the University of Illinois find the 60-plus employee as good or better than his younger colleague 80 to 93 percent of the time. The NAM, after polling 3,000 employers whose payrolls included 2.5 million people, reported that only 7 percent of the respondents thought the older worker produced less.

The mature worker is no job hopper, has a 20 percent better atendance record and a better safety score than his younger shopmate. However, an unpublished study by New York State indicates that an accident does keep the older man off the job longer.

Commissioner Lubin, who insists that "hiring older workers is a matter neither of charity nor morality," points out that when you tote up the score for an employer he will hire on the basis of individual competency rather than on prejudice. When 39 special employment service counselors were put to work in the State's busiest employment offices last year, they helped place almost 250,000 persons over 45, he says.

UNLIMITED OPPORTUNITIES IN THE GREEN RIVER VALLEY

Mr. NATCHER. 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 Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, the Green River Valley in Kentucky is noted for its scenic beauty, fertile soil, natural resources, temperate climate, abundant resources of native people and vast coal seams. This watershed contains 9,273 square miles, covering approximately one-fourth of Kentucky's entire boundary. The Second Congressional District is located in the Green River Valley.

Kentucky is a part of the Ohio River watershed and contains more miles of navigable streams than any other State in our country. Bordered by the Ohio and Mississippi Rivers, water resources development in Kentucky is directly related to the problems of the drainage patterns for both the Ohio River watershed and the Mississippi River watershed. We have 120 counties in Kentucky and all of the State, with the exception of eight counties in the extreme southwestern section, is, according to a recent study made by the Corps of Engineers, in the flood danger zone.

Green River is the principal stream in the Green River watershed. This stream rises in Lincoln County and flows 370 miles westerly to the Ohio River, a point some 8 miles northeast of Evansville, Ind. Green River tributaries having navigable reaches are Barren, Nolin, Rough, Pond, Mud, and Bear Creek. Barren River, the largest of the Green River tributaries, rises in Monroe County and flows 149.5 miles northwesterly to its junction with the Green River. Green and Barren Rivers are improved for navigation by a system of fixed locks and dams. Prior to 1954 most of these locks were obsolete, and when you consider the fact that they were constructed by the Commonwealth of Kentucky in the year 1835 you can easily understand why they were considered obsolete on January 1, 1954.

We have suffered many damaging floods in the Green River Valley in the past 20 years, and every year well over 5 million tons of topsoil is lost through erosion. Many farms were abandoned, and from 1940 to 1950, according to census figures, 104,000 people moved out of the valley. This rich fertile valley had suffered a depressed economy.

In this beautiful valley, blessed with everything essential for prosperity, we were suffering from loss of population, flood damage, and several sections of the valley were designated as areas of chronic labor surplus. In addition to labor surplus, 4 of the 15 counties in the Second Congressional District were placed in the low-income county category. Opportunities to develop this fertile valley industrially were ignored. Such development would stop migration and soon present opportunities to our young people comparable with those being offered in other States in our Nation. As pointed out, the Green River Valley and the Second Congressional District have the necessary natural resources and means of transportation to make this section prosperous industrially and agriculturally.

The resources of coal alone along the Green River, a navigable stream, are estimated at 13,970,000,000 tons. This supply is ample to support an annual production of 25 million tons per year for well over 100 years. The location of industrial plants in the Green River Valley and especially along our streams would be only a short distance away from this vast coal deposit. Above all, our national security is promoted because this coal is utilized in the production of atomic energy by the large steam powerplants at Madison, Ind.; Paducah, Ky.; Johnsonville, Tenn.; and Colbert, Ala. For instance, the Atomic Energy Commission plant at Portsmouth, Ohio, which is operated with power produced at Madison, Ind., consumes over 4 million tons of coal annually.

It was essential that we immediately proceed to develop our water resources in the Green River Valley in order to bring in new industry, utilize our great abundance of natural resources, and decrease the chronic labor surplus. Such development would entail navigation and flood-control projects, together with new locks and dams along our navigable streams.

The people in the Green River Valley realized full well that water is something that cannot be taken for granted. They had experienced widespread destruction caused by drought in farming, floods resulting in property damage and loss of lives, and the critical shortage of water confronting our cities and towns. Pollution problems were also present. The time had arrived to take action.

In January of 1954 I requested the Bureau of the Budget to furnish me an itemized list of all projects and total appropriations charged to the Green River Valley for a 20-year period. Shortly after making this request, I received a letter from Harold Pearson, Assistant Director of the Bureau of the Budget, informing me that from January 1, 1934, to January 1, 1954, the sum of $644,315.59 had been expended for navigation, flood control, and water resources development in the Green River Valley. A comparison of the total appropriation for our section of Kentucky with appropriations for other sections throughout the United States, comparable in size and containing the approximate number of streams, shows just how little we had received during this 20-year period.

From January 1, 1954, to August 10, 1957, we have either under construction, in the process of planning, or completed, navigation projects, flood control reservoirs, and water resources development projects totaling the sum of $59,972,300. The projects referred to are as follows:

NEW LOCK AT SPOTTSVILLE, KY., AND NEW LOCK AND DAM AT RUMSEY, KY.

These two locks and dam were started in 1954 and completed in 1956 at a cost of $9,370,000. They replace obsolete locks and dam constructed in the year 1835. The old locks and dam were too small to accommodate modern river transportation because the largest piece of equipment that could be locked through was only 35 feet by 107 feet. The new locks constructed are 84 by 600 feet, thereby accommodating at a single lockage 6 barges 26 feet wide and the towboat or 4 barges 35 feet wide, 2 abreast in tandem, and the towboat. Today coal is moving through the new locks in large barges pushed by powerful towboats equipped to navigate all inland waterways in the United States. Millions of tons of coal are now moving down Green River to points on the Mississippi, Ohio, Tennessee, Cumberland, the Illinois Waterway, and to the Great Lakes. The coal mines are rapidly becoming mechanized, using modern cutting, drilling, roof bolting, and loading equipment. One company alone in this section is producing slightly over 34,000 tons a day. This development has brought several new industries into our section of Kentucky, and the construction of these two new locks and dam will continue to offer in the future opportunities to large and small industries desiring to locate in a section which possesses an abundant supply of coal and labor. Sites are now available along our streams with navigation stages more economically maintained, and with the temperature of the water controlled, which is essential to industrial use.

CANALIZATION OF GREEN RIVER

The canalization of Green River, started in 1954, was completed in 1956 at a cost of $2,550,300. This project extends from the mouth of Green River on the Ohio River to a point near Rochester, Ky., in Butler County, a distance of 103 miles. The two new locks and dam are within the canalized section of the river. The channel of Green River along this 103-mile section is now 9 feet deep and 200 feet wide, thereby permitting the largest boats which traverse the inland waterways together with large inland waterway barges to operate with ease. Prior to the canalization project along Green River, the rapid and frequent fluctuation in low and high flood periods resulted in many slides of the banks which created serious navigation hazards and, in fact, absolutely ruled out the river traffic which is now in operation. This canalization project not only permits the moving of our coal and other products by water but also promotes the national security.

PRELIMINARY EXAMINATION OF POND AND ROUGH RIVERS

In 1956 the sum of $8,000 was appropriated to make the necessary survey of Pond and Rough Rivers to determine the

feasibility of providing navigation improvements on these two rivers which are tributaries of the Green River. This survey is to be completed in fiscal year 1958 with funds now available to the Corps of Engineers.

ROUGH RIVER RESERVOIR AND CHANNEL IMPROVEMENT

Construction of the Rough River Reservoir was initiated in October of 1955 and is scheduled for completion in fiscal year 1960. This is a $10,322,000 flood-control project located in Breckinridge, Hardin, and Grayson Counties. To date $4,909,000 has been appropriated for this project. The reservoir portion of the project consists of a rolled earth dam 124 feet high and 1,530 feet long, located on Rough River 89.3 miles above its confluence with Green River. The storage capacity for flood control is 303,650 acre-feet and, in addition, the reservoir has 19,050 acre-feet for conservation. This is the first flood-control reservoir construction in our section of Kentucky and was provided for under the Flood Control Act of 1938. The act further provided for the construction of the Nolin River Reservoir, No. 2 Barren River Reservoir, and No. 2 Green River Reservoir. We are now proceeding to build projects authorized 20 years ago.

NO. 2 BARREN RIVER RESERVOIR

This $21,600,000 flood-control project is to be located in Allen and Barren Counties, 79.2 miles above the mouth of Barren River and 10 miles northeast of Scottsville, Ky. Fifty thousand dollars was appropriated this year to begin advance engineering and design for this project. This is the only new designated project approved by Congress this year for Kentucky. This project will consist of an earth and concrete dam 142 feet high and 3,860 feet long. The total storage capacity of this reservoir is 502,000 acre-feet, of which 479,000 acre-feet is for flood-control storage and the remaining 23,000 acre-feet is for conservation. This project will reduce flood stages along the Barren River below the dam and, in conjunction with the three other authorized reservoirs in the Green River Valley, will aid in the reduction of flood stages along the Green River and contribute to the reduction of major flood flows along the Ohio and Mississippi Rivers. The benefit-cost ratio of this particular project is excellent and, in fact, is one of the best in the United States.

NOLIN RIVER RESERVOIR

The 1957 budget contained a request for $50,000 for advance engineering and design on the Nolin River Reservoir project and, as a member of the Committee on Appropriations in the House, I requested my committee to increase this amount to $100,000. The $100,000 figure was approved by the House and the Senate and advance engineering and design was started on this project. This year $138,000 has been approved to complete advance engineering and design, thereby placing this project in line for construction start in the next fiscal year. This project will consist of an earth fill dam about 154 feet high and 960 feet long, located on Nolin River about 9 miles above its mouth and about 25 miles northeast of Bowling Green. The dam will be in Edmonson County, and the reservoir will extend upstream into Grayson, Hart, and Hardin Counties. The total storage capacity is 474,000 acre-feet, of which 464,000 acre-feet will be for flood control and the remaining 10,000 acre-feet will be for conservation. The estimated cost of this project is $16,100,000.

SURVEY OF CYPRESS CREEK

The total estimated cost of this study is $22,000 and all of this money has been appropriated. In 1956 we appropriated $17,000 for fiscal year 1957 to make the necessary examination and survey to determine the feasibility of providing flood control and drainage improvements in the Cypress Creek Basin. This year we appropriated $5,000 to complete the examination and survey for this project during the fiscal year 1958. This project is located in McLean and Muhlenberg Counties.

PANTHER CREEK SURVEY

In 1956 I took this project up with the Bureau of the Budget and the Corps of Engineers hoping that at least $10,000 would be appropriated to begin the preliminary examination and survey of this particular project. The cost of the authorized flood-control survey of Panther Creek is presently estimated at $43,000. I was assured that in 1956 every consideration would be given this project but the Corps of Engineers and the Bureau of the Budget made no recommendations for funds due to the fact that the benefits to be derived by the Federal Government had not been established. It is admitted by the Corps of Engineers and those who have investigated this matter from time to time that great benefits will be received by the residents of Daviess County, but so far this project has not been established by the Bureau of the Budget as a Federal project which would justify the appropriation of necessary funds for survey and study. This year I was informed by Brig. Gen. J. L. Person, Assistant Chief of Engineers for Civil Works, that, since the Bureau of the Budget did not include funds for the examination and survey of this project, no funds could be utilized at this time. Since no funds could be utilized by the Corps of Engineers, our efforts to incorporate any amount in the public-works bill pending before Congress would have served no purpose. A meeting will be held in September of this year in Daviess County for the purpose of gathering information concerning this project which would place the Bureau of the Budget and the Corps of Engineers in the position of recommending same for fiscal year 1959. If the benefit-cost ratio can be established and the project justified as a Federal project for expenditure of Federal funds, same should be incorporated in the bill for 1959.

FUTURE PROJECTS FOR THE GREEN RIVER VALLEY

In the comprehensive plan for water resources development in the Green River Valley, certain other projects should be started as soon as possible. To facilitate navigation further, the canalization of Green River should be completed, and Barren River and the other navigable reaches of the Green River should be canalized. New locks and dams should be constructed at Rochester, Ky., and Woodbury, Ky., thereby permitting the shipping of additional coal and other natural resources in this section of Kentucky. Immediate attention should be given to Number 2 Green River Reservoir. This Reservoir estimated to cost $7,700,000 and authorized in 1938, will be situated in Green, Taylor, and Adair Counties. This project is an integral part of the overall flood-control program for the Green River Valley as well as the Ohio, Mississippi, and Missouri River Valleys.

Another development, which is essential for our section of Kentucky, is legislation providing for low-flow regulation. In January of this year I introduced in the House two bills, H. R. 350 and H. R. 847, which provide for low-flow regulation. The provision contained in these bills has been incorporated in the Rivers and Harbors and Beach Erosion Omnibus Bill now pending before Congress. Four basic benefits are derived from the regulation of low stream flows: Navigation stages are more economically maintained; recreational values of our streams are expanded; pollution is abated; and the temperature of water is controlled, thereby enhancing its industrial use. This is important legislation and benefits will be received not only by Kentucky but by many other States throughout our country.

Our future plans for the Green River Valley should include all necessary navigation, flood control, and water resources development projects recommended after completion of examinations and surveys now under way in our section of Kentucky.

From time to time it may be necessary to have additional projects authorized which become necessary in the development of the Green River Valley and projects heretofore authorized and not mentioned herein which play an important part in this program should be constructed.

Our work in obtaining these projects for the Green River Valley has been continuously aided and encouraged by the Nolin River Flood Control Association, the Barren River Development League, the Green River Valley Citizens League, Inc., and the newspapers and radio stations throughout the Green River Valley and over the entire State. These organizations, composed of fine, civic-minded men and women, are to be commended for their untiring efforts to develop water resources in our section of Kentucky.

Mr. Speaker, with the execution of the comprehensive plan for developing water resources, the Green River Valley will emerge as one of the most prosperous sections in the United States. The usual indicators of a depressed economy, such as low income counties, areas of labor surplus, and migration of our people, will cease to exist. In their place will be found an ever-expanding agriculture and industry which will insure a thriving, healthy economy. Better days are ahead for the Green River Valley.

COMMITTEE ON THE JUDICIARY

Mr. NIMTZ. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary have until midnight tomorrow to file a report on the joint resolution, House Joint Resolution 351.

The SPEAKER pro tempore. Without objection, it is so ordered. There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BRAY, for 2 weeks on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PERKINS, for 5 minutes, today.

Mr. STAGGERS, for 5 minutes, today.

Mr. HOFFMAN, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE.

Mr. DIES and to include extraneous matter.

Mr. OSTERTAG.

Mr. PELLY in two instances.

Mr. MACK of Washington and to include extraneous matter.

Mr. HALE and to include extraneous matter.

Mr. RIVERS and to include extraneous matter.

Mr. JENSEN and to include a statement.

Mr. BOW in two instances and to include extraneous matter.

Mr. BREEDING and to include extraneous matter.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1383. An act amending section 410 of the Interstate Commerce Act, to change the requirements for obtaining a freight forwarder permit; and

S. 1384. An act to revise the definition of contract carrier by motor vehicle as set forth in section 203 (a) (15) of the Interstate Commerce Act, and for other purposes.

BILLS 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 of the House of the following titles:

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, and to restrict the issuance of certificates for rapid amortization of emergency facilities;

H. R. 5168. An act for the relief of William Diment, Mrs. Mary Ellen Diment, and Mrs. Gladys Everingham; and

H. R. 5707. An act for the relief of the A. C. Israel Commodity Co., Inc.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 41 minutes p. m.), under its previous order, the House adjourned until Monday, August 19, 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:

1138. A letter from the Archivist of the United States, transmitting a report on lists or schedules covering records proposed for disposal by certain Government agencies, pursuant to the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

1139. A letter from the representative, Bear River Compact Commission, transmitting a report relative to negotiations between the States of Idaho, Utah, and Wyoming, with respesct to the waters of the Bear River and its tributaries, pursuant to Public Law 537, 79th Congress; to the Committee on Interior and Insular Affairs.

1140. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 25, 1957, submitting an interim report, together with accompanying papers and illustrations, on a hurricane survey of New Bedford, Fairhaven, and Acushnet, Mass., requested by a resolution of the Committee on Public Works, United States Senate, adopted November 9, 1954, and authorized by Public Law 71, 84th Congress, approved June 15, 1955 (see S. Doc. No. 59, 85th Cong., 1st sess., August 13, 1957); to the Committee on Public Works and ordered to be printed with 2 illustrations and 9 photographs.

1141. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the act entitled 'An act to authorize the Commissioners of the District of Columbia to remove dangerous and unsafe buildings and parts thereof, and for other purposes,' approved March 1, 1899, as amended"; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee of conference. S. 959. An act to amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed or food on the farm, and for other purposes (Rept. No. 1180). Ordered to be printed.

Mr. BLATNIK: Committee of conference. S. 1520. An act to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways and for other purposes" (Rept. No. 1181). Ordered to be printed.

Mr. WALTER: Committee on Un-American Activities. Report pertaining to Communist political subversion pursuant to House Resolution 5, 85th Congress, 1st session (Rept. No. 1182). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee of conference. H. R. 1937. A bill 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 (Rept. No. 1183). Ordered to be printed.

Mrs. PFOST: Committee on Post Office and Civil Service. H. R. 8424. A bill to include certain service performed for Members of Congress as annuitable service under the Civil Service Retirement Act; without amendment (Rept. No. 1184). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Sixteenth report pertaining to Army-Interior reservoir land acquisition policy (Rept. No. 1185). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 7900. A bill to permit the Secretary of Agriculture to sell to individuals land in Ottawa County, Mich., which was acquired pursuant to the provisions of title III of the Bankhead-Jones Farm Tenant Act; with amendment (Rept. No. 1187). Referred to 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. COOLEY: Committee on Agriculture. S. 1962. An act to authorize the Secretary of Agriculture to convey a certain tract of land owned by the United States to the Perkins Chapel Methodist Church, Bowie, Md.; without amendment (Rept. No. 1186). 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. BREEDING:

H. R. 9319. A bill to prohibit Government agencies from acquiring or using the National Grange headquarters site without specific Congressional approval, to provide for renovation of the old State Department Building; to the Committee on Public Works.

By Mr. CLARK:

H. R. 9320. A bill to prohibit Government agencies from acquiring or using the National Grange headquarters site without specific Congressional approval, to provide for renovation of the old State Department Building, and for other purposes; to the Committee on Public Works.

By Mr. COFFIN:

H. R. 9321. A bill to prohibit Government agencies from acquiring or using the National Grange headquarters site without specific Congressional approval, to provide for renovation of the old State Department Building, and for other purposes; to the Committee on Public Works.

By Mr. MAGNUSON:

H. R. 9322. A bill to prohibit Government agencies from acquiring or using the National Grange headquarters site without specific Congressional approval, to provide for renovation of the old State Department Building, and for other purposes; to the Committee on Public Works.

By Mrs. PFOST:

H. R. 9323. A bill to prohibit Government agencies from acquiring or using the National Grange headquarters site without specific Congressional approval, to provide for renovation of the old State Department Building, and for other purposes; to the Committee on Public Works.

By Mr. PRICE:

H. R. 9324. A bill to prohibit Government agencies from acquiring or using the National Grange headquarters site without specific Congressional approval, to provide for renovation of the old State Department Building, and for other purposes; to the Committee on Public Works.

By Mr. RHODES of Pennsylvania:

H. R. 9325. A bill to prohibit Government agencies from acquiring or using the National Grange headquarters site without specific Congressional approval, to provide for renovation of the old State Department Building, and for other purposes; to the Committee on Public Works.

By Mr. HARRIS:

H. R. 9326. A bill to amend certain provisions of the Securities Act of 1933, as amended; to the Committee on Interstate and Foreign Commerce.

H. R. 9327. A bill to amend certain provisions of the Securities Exchange Act of 1934, as amended; to the Committee on Interstate and Foreign Commerce.

H. R. 9328. A bill to amend certain provisions of the Trust Indenture Act of 1939, as amended; to the Committee on Interstate and Foreign Commerce.

H. R. 9329. A bill to amend certain provisions of the Investment Company Act of 1940, as amended; to the Committee on Interstate and Foreign Commerce.

H. R. 9330. A bill to amend certain provisions of the Investment Advisers Act of 1940, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. EDMONDSON:

H. R. 9331. A bill to amend title III of the Career Compensation Act of 1949 to provide special pay for members of the uniformed services who winter over in Antarctica; to the Committee on Armed Services.

By Mr. METCALF:

H. R. 9332. A bill to amend title III of the Career Compensation Act of 1949 to provide special pay for members of the uniformed services who winter over in Antarctica; to the Committee on Armed Services.

By Mr. BOYLE:

H. R. 9333. A bill to amend section 2501 of title 28, United States Code, and for other purposes; to the Committee on the Judiciary.

H. R. 9334. A bill to prohibit Government agencies from acquiring or using the National Grange headquarters site without specific Congressional approval, to provide for renovation of the old State Department Building, and for other purposes; to the Committee on Public Works.

By Mr. FRIEDEL:

H. R. 9335. A bill to amend the Veterans' Readjustment Assistance Act of 1952, to extend the time for filing claims for mustering-out payments; to the Committee on Veterans' Affairs.

By Mr. MARSHALL:

H. R. 9336. A bill to amend the act of July 1, 1948 (62 Stat. 1215) to authorize the furnishing of headstones or markers in memory of members of the Armed Forces dying in the service, whose remains have not been recovered or identified or were buried at sea; to the Committee on Armed Services.

By Mr. SAYLOR:

H. R. 9337. A bill to amend title III of the Career Compensation Act of 1949 to provide special pay for members of the uniformed services who winter over in Antarctica; to the Committee on Armed Services.

By Mr. HARRIS:

H. Res. 401. Resolution authorizing the printing as a House document of the historical data regarding the creation and jurisdiction of the Committee on Interstate and Foreign Commerce and providing for additional copies; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. CHURCH:

H. R. 9338. A bill for the relief of Karla Krug; to the Committee on the Judiciary.

By Mr. CLEVENGER:

H. R. 9339. A bill for the relief of Junko Hokimoto Pennington; to the Committee on the Judiciary.

By Mr. CRETELLA:

H. R. 9340. A bill for the relief of Natale Papallo; to the Committee on the Judiciary.

By Mr. FLOOD:

H. R. 9341. A bill for the relief of Olga Maria Zacharkiw (Vario); 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:

332. By Mr. BUSH: Petition of members of Covington Borough Grange No. 1016 of Covington, Pa., in opposition to the acquisition by the Federal Government of the National Grange Building at 744 Jackson Place, Washington, D. C.; to the Committee on Public Works.

333. Also, petition of members of Tioga County Grange School, Tioga County Pamona Grange, Pennsylvania, in opposition to the demolition of National Grange headquarters at 744 Jackson Place, Washington, D. C.; to the Committee on Public Works.

EXTENSIONS OF REMARKS

Performance Record Speaks for Itself

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1957

Mr. PELLY. Mr. Speaker, by Wednesday it should be clear as to whether or not we will have an opportunity to act on a civil-rights bill at this session—and perhaps likewise we will know if the bill is to be a gesture or if it will actually protect the voting right of southern Negroes.

As for me, I shall continue to the last trying to strengthen as much as possible any bill before the House; but let me make it clear that when the chips are down on final passage I shall vote in favor of any measure we have before us, if I believe such legislation is better than no legislation, because any step in the right direction is better than standing still as we have for 82 years.

As to all this hue and cry about a delay for political advantage, let me say that nothing said or done by the Democrat propagandists can whitewash their party record or brainwash the public.

President Eisenhower and the Republican Party have a performance record that speaks for itself.

Not a Republican voted against this year's civil-rights bill in the Senate. In the House, 168 Republicans voted for the civil-rights bill and only 19 against, while 107 Democrat Members voted "no" and only 118 "aye." In other words, the record shows the membership in this House is: Republican about 9 to 1 in support of civil rights; Democrats not quite half and half.

In 1956, in connection with last year's civil-rights bill, the Republicans voted 168 in favor and 24 against, whereas the Democrat vote was 111 in favor and 102 against.

So it has been in the period 1933 through 1952. During those many years that the Democrats controlled the Government, of the 19 important Senate votes on civil rights, the Democrat majority voted against civil rights in every case except 2. Twice not one single Democrat voted favorably; twice only one Democrat joined the Republican majority supporting civil rights.

During those same years, 1933 to 1952, here in the House of Representatives in 7 out of 14 votes the majority of Democrat Members failed to give civil rights their vote in favor. On these same 14 recorded votes a majority of from 68 percent to 100 percent of Republican Members supported civil rights.

The Senate record shows in 3 cases Republicans were 100 percent in voting for civil-rights legislation. Only once in 19 important votes did Republican Senators fail to give a majority of their votes in support of a civil-rights issue so vital to minority groups.

So, Mr. Speaker, if anyone fails to credit the Republican Party, and the party of Lincoln, from a continuing effort to establish the freedom of voting franchise, I say let the record speak for itself.

As for me, I have been a part of the bipartisan effort to get a bill passed. Let no one say that my efforts and interest in that direction in any way have diminished.

I am for a strong civil-rights bill, yes; but I am for a civil-rights bill, and I am for a civil-rights bill this year. And as for the false and misleading statements about the Republican Party, as I said, look at the record—the record of the past and the record of the future.

Departmental Hypocrisy

EXTENSION OF REMARKS

OF

HON. FRANK T. BOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1957

Mr. BOW. Mr. Speaker, less than 3 months ago certain individuals in the executive department were carrying on a campaign of innuendo against Sp3c. William S. Girard, in order to divert public attention from the decision to surrender him to Japanese justice. Even though Girard's commanding officer had certified that the incident which has subjected him to criminal charges by the Japanese occurred while Girard was on duty, and 4 superior officers in successive reviews all confirmed this certificate, and the Government in 2 courts conceded he was on duty yet the General Counsel of the Defense Department by public announcement and by affidavit sought to negate all these certificates and admissions. General Counsel Dechert's affidavit, which the Solicitor General offered in a sealed envelope to the Supreme Court in a last-ditch effort to influence its decision, contained a recitation of hearsay testimony as to the occurrence involving Girard and practically tried and convicted him without a hearing.

With this record of public condemnation behind it, the Defense Department now sends the Assistant Judge Advocate General of the Army, Brig. Gen. Charles Decker, to Japan to advise Girard, according to news reports. It is to be hoped that his advice to Girard will be better and more to the interest of the constitutional rights of American servicemen, than the advice given to our representative on the joint committee to turn Girard over to a foreign court and deprive him of his constitutional protection.

I note that two staff members from Senate offices are also in Japan attending this trial. If these gentlemen stay through the scheduled sessions to the end, they will have a nice long vacation in Japan, for after the opening session on Monday, the court recessed the trial to September 6, when it will inspect the scene of the accident. Originally four sessions were announced for September and another in October, but it is now intimated that final decision may not be announced until late October or November. If these men do not observe every session, what will they have learned?

The protocol amending article XVII of the administrative agreement with Japan provides that a United States serviceman, prosecuted by Japan, shall be entitled to a prompt and speedy trial. The record shows that no American has ever had the benefit of this provision and that our authorities apparently have never objected to the breaking of this agreement. In keeping with the policy of lauding foreign justice as against our system of law, this and other violations of the agreement have been condoned. In fact, in eagerness to excuse the failure of the Japanese in one case to advise an accused of the charges against him before the opening of his trial, a zealous JAG officer said that this violation was excused by another violation. The trial was so long drawn out that the accused still had time to prepare his defense after opening day.

Ambassador Walter Christian Ploeser

EXTENSION OF REMARKS

OF

HON. L. MENDEL RIVERS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1957

Mr. RIVERS. Mr. Speaker, it is most gratifying when we learn that a former distinguished Member of the greatest parliamentary body on earth, has been selected to represent this Nation in one of our most important diplomatic posts. Recently, the President appointed and the Senate confirmed Walter C. Ploeser Ambassador to one of our great South American neighboring countries, Paraguay. Mr. Speaker, in that vast embrace of neighborly and friendly country to the south of us known as South America, we have many friends whose loyalty, cordial and deep-seated friendship with this Nation extend over a long period of a great number of years. Since the inception of the Monroe Doctrine and the implementation of that great policy enunciated by the late and distinguished Secretary of State, Cordell Hull, known as the good neighbor policy, we have found the value of the friendship of our southern neighbors. One of the greatest amongst the peoples of South America are those of Paraguay. Mr. Ploeser is a peculiarly well fitted and a natural selection to represent this Nation in Paraguay.

His qualifications are many and varied. He served with distinction in our branch of the Congress where he was one of the most influential and well-informed members of that great Committee on Appropriations. Having had a rich background in business, extending over a period of well over 30 years, Mr. Ploeser, at the age of 50, has lived a life replete with civic, political, and business activity. A distinguished Mason, a distinguished leader in the field of insurance and a man who has risen to the very pinnacle in his chosen profession, Walter Ploeser now enters the diplomatic field knowing the vicissitudes of almost every walk of civic, political, and economic life.

While it is unusual for a Democrat to praise a Republican, Mr. Speaker, we are all Americans; Mr. Ploeser is as ardently devoted to the philosophy of the Republican Party as I am to the constitutional Democratic Party; being a southerner and from that conservative and great city of Charleston, S. C., I have much in common with the conservative outlook of Mr. Ploeser. This has made him and me, and many of us in Congress, unconscious and natural believers in much and the same basic philosophies. Mr. Ploeser goes to South America eager and virile and at the peak of his physical and mental development. As a distinguished public speaker, he is qualified to defend and enunciate the policy laid down by our great Nation.

Mr. Speaker, I look for a magnificent performance in the diplomatic field by Walter Ploeser. He will, in the finest traditions of this Nation, speak for us in the councils of that great Republic to which he is sent. We will earn friends by his cordial and genial approach to the problems which will confront him; he will endear himself to all South Americans whose traditional background is that of friendliness. He will implement and strengthen the philosophy of the good neighbor policy, and when his job will have been completed, he will return to this Nation leaving behind him in South America legions of friends and compiling a record in the State Department which, I confidently predict, will be equal to that of any who have gone before him to any council any place on earth.

Mr. Speaker, as a Democrat and as an American, I congratulate President Eisenhower on the selection of this distinguished young American. Mr. Speaker, I congratulate America for producing a man of his caliber and of his character. Mr. Speaker I pride myself in having served in the Congress with Walter Ploeser and I wish him, along with many of my other colleagues, well in this assignment. I know that he will fulfill any expectation we have of him in this important and critical position during this difficult period in our Nation's fight for survival when we are called upon to lead the world and defend democracy everywhere on earth. Mr. Speaker, South America is one of the most important places in the universe to defend democracy. Walter Ploeser will fulfill his responsibility.

Hog Prices

EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1957

Mr. JENSEN. Mr. Speaker, farmers hold the key to future hog prices. If the favorable prices and feeding ratio now enjoyed by producers prompt over-expansion of hog production, heavy supplies could easily bring about lower prices as past experience clearly demonstrates.

Too many hogs leads to inefficient use of resources with accompanying low prices and incomes as producers well remember from their experiences in 1949 and 1955. In 1949, hog producers increased the pig crop by 10 million head and hog prices dropped $5 to $6 per hundred. Again in 1954, producers increased total production by 9 million hogs, followed by another 9 million head increase in 1955. Hog market prices dropped sharply.

On the other hand as production is reduced, prices go up. Hog producers made a cut of 7.5 million hogs in production in 1956. Hog prices have been running from $18 to $21 per hundred at Midwestern markets during recent weeks. A year ago prices, while markets were recovering from heavy 1955-crop marketings, were as much as $5 per hundred less.

There have been periods when prices have held when hog numbers expanded but usually this was during a period when demand was high due to emergencies such as World War II and the Korean war. In 1941, the United States Department of Agriculture asked for an increase in production and prices held in the war period. With stable production in years following the war, prices stayed high in 1946, 1947, and 1948.

Hog production was increased in 1950 and 1951, but prices held due to the Korean war. Sizable reductions in 1952 and 1953 production increased the price of hogs in 1953 and 1954.

The past shows that when production is balanced with demand, hog producers receive satisfactory prices. If production remains on an even keel during the coming months, price prospects for hogs should be favorable.

It is hoped that producers will continue to avoid excessive increases at the time of breeding for the 1958 spring pig crop. Production of meat-type hogs marketed at 225 pounds or less, will also insure better hog prices as well as more pork exports, which all help to stabilize hog prices at a proper level.

Year	Pig crop	Slaughtered	Average farm price point of 1st sale per 100 pounds	
1940	79,900,000	77,610,000	$5.40	
1941	85,000,000	71,397,000	9.10	Increase production World War II; prices up; slaughter decrease.
1942	104,900,000	78,547,000	13.00	Increase production World War II; prices up; slaughter increase.
1943	121,800,000	95,226,000	13.70	Do.
1944	86,700,000	98,068,000	13.10	Do.
1945	86,800,000	71,891,000	14.00	Increase production World War II; prices up; slaughter decrease.
1946	82,700,000	76,115,000	17.50	Lower production; prices up; slaughter increase.
1947	83,300,000	74,001,000	24.10	Normal production; prices up; slaughter decrease.
1948	83,800,000	70,869,000	23.10	Do.
1949	93,200,000	74,997,000	18.10	Increase production; prices drop; slaughter increase.
1950	97,400,000	79,263,000	18.00	Korean war; price held; slaughter increase.
1951	100,600,000	85,540,000	20.00	Do.
1952	88,800,000	86,572,000	17.80	Lower production; price held; slaughter increase.
1953	77,900,000	74,368,000	21.40	Lower production; price up; slaughter decrease.
1954	86,800,000	71,495,000	21.60	Increase production; price held until September; slaughter decrease.
1955	95,700,000	81,058,000	15.00	Increase production; price drop; slaughter increase.
1956	89,700,000	85,216,000	14.40	Lower production; price started up May; slaughter increase.
1957	90,200,000	80,700,000	[1] 17.50	Normal production; price up; slaughter decrease.

[1] Estimated.

Concern Over the Inflationary Spiral

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1957

Mrs. KEE. Mr. Speaker, the chairman of the International Latex Corp., Mr. A. N. Spanel, commented recently that "we are no longer threatened by inflation but that over 90 percent of America's families bitterly wrestle with it on a daily basis." Both the administration and the Congress have also frequently voiced concern over the inflationary spiral which is rapidly taking the cost of living out of sight and reach of the average citizen.

This makes all the more illogical the administration's attitude toward two bills passed by the House last week. One bill, overwhelmingly approved by a vote of 329 to 59, provides an 11-percent pay increase—an average raise of about $518 a year—for nearly a million of the Federal Government's classified employees. It was passed over threats of a Presidential veto, as was its earlier-passed counterpart providing similar increases for postal employees.

Mr. Speaker, the administration opposes this pay raise legislation on the grounds that, by some mysterious means, it would contribute to inflation. On the face of it, this claim is patently absurd. Since July 1951, Federal employees have had only one salary adjustment—a woefully inadequate 7½ percent which Congress managed to wangle for them in March of 1955 after two previous attempts, in 1953 and 1954, were vetoed by the President. That pay raise did not bring Federal employees' earnings into line with the cost of living which, since then, has continued to rise by 5.2 percent as of June 1957.

With no signs that the steady rise over the past 17 months in the cost of living will be halted in the foreseeable future, Federal employees have been finding it more and more difficult to stay out of debt and at the same time maintain for themselves and their families a decent and reasonable standard of living. Granting them salary increases which will barely help them to keep up with higher prices will scarcely send them on buying splurges that would give appreciable impetus to the inflationary spiral.

On the other hand, Mr. Speaker, the second bill passed by the House last week does, in my opinion, do just that. The postal rate increase bill had the full support of the administration behind it and is legislation for which the Postmaster General has belabored the Congress almost from the first days of his taking office. Only recently, let me point out, the President directed an urgent plea to industry and labor to hold prices and wages down. Yet, what is an increase in postal rates, especially on first-class mail, if it is not a price increase?

As passed by the House, this bill raises the cost of mailing first-class letters from 3 to 4 cents; increases the cost of cards from 2 to 3 cents; boosts airmail rates from 6 to 7 cents, and airmail cards from 4 to 5 cents. At first glance, an increase of 1 cent in the price of sending a letter through the mails first class may not seem anything to become very excited about. The total of these increases on first-class postal rates alone will, however, raise by about $340 million the burden which the American taxpayers are already carrying in support of the services rendered by the Post Office Department.

Nor does the full cost to the public stop there, Mr. Speaker. The bill also proposes to raise rates on second-class mail—newspapers and magazines—by 15 percent in each of the next 4 years to a total of 60 percent. Similar rate increases on third-class mail—advertising and like matter—would go into effect in their entirety as of October 1. You may be quite certain that these rate rises would not be absorbed by the senders, but would quickly be passed along to the consuming public in price increases.

Yet this is not the only nudge which the administration has given to inflation and the spiraling cost of living. Just before he retired, former Secretary of the Treasury Humphrey raised the interest rate on Government bonds. Big business, the principal purchaser of large blocks of these bonds, is the gainer. The taxpayers will foot the bill with higher interest payments on the national debt.

Moreover, the raising of interest rates on Government bonds has set off a whole series of rate and price increases across the country. The Federal Housing Agency has raised interest and discount rates. The home buyer is the loser. The mortgage broker gains.

Mr. Speaker, the Interstate Commerce Commission has approved freight-rate increases for the railroads—increases which are expected to add nearly $900 million a year to shippers' transportation costs and which Mr. and Mrs. Consumer are sure to find tacked on to their food, fuel, and other essential commodity bills before very long.

And while the purchasing power of the dollar steadily declines, the cost of money—the interest rate paid by borrowers—as steadily rises, as bank rates climb, propelled upward by the administration's tight-money policies.

These policies, the administration declares, represent the best possible way to hold the line against inflation. By some strange alchemy, however, they seem consistently to line the pockets of big business, big corporations, and big banks while the average wage earner, with the biggest pay envelope he has ever received, and the average white collar worker with the largest salary

check he has ever had, struggle vainly to make ends meet.

The administration opposes pay increases for hard-pressed Federal employees as inflationary. The administration warns that tax cuts for the average individual would also prove inflationary. Meanwhile, in the midst of the greatest prosperity the Nation has ever known "90 percent of America's families bitterly wrestle with inflation on a daily basis."

Mr. Speaker, is it not time that the man in the street spoke loudly enough for Congress, at least, to hear him—before the disastrous boom-and-bust of the 1920's overtakes us once again?

The So-Called Civil-Rights Bill With Senate Amendment

EXTENSION OF REMARKS

OF

HON. MARTIN DIES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1957

Mr. DIES. Mr. Speaker, the so-called civil-rights bill, which passed the House of Representatives over my strenuous objections and vote, has been amended by the Senate and returned to the House. After its passage by the Senate, however, some very serious flaws in the Senate version have been discovered. It is now conceded by the proponents of the bill in both bodies that the bill as passed by the Senate must be changed materially.

The following are some of the fatal defects in the bill which the Senate enacted and which they now want to correct. Under the terms of the bill, a newspaper reporter can be fined or imprisoned if he publicizes evidence or testimony taken in executive session before the Civil Rights Commission. In other words, if a witness who testified before the Commission tells a newspaper reporter what he testified to, and the reporter uses or releases this testimony to the public, the reporter may be fined not more than $1,000 or imprisoned for not more than 1 year. The proponents of this bill admit that this provision violates freedom of the press guaranteed by our Constitution and they promise to pass a resolution eliminating this provision.

The Senate's provision with respect to a jury trial is fatally defective, and the proponents of the bill now admit that it must be changed. According to this amendment defendants under this act can be held in civil contempt without a jury trial. But in the case of criminal contempt they are entitled to a jury trial under certain circumstances. As stated by the majority leader in the Senate, the vast majority of cases would be handled under the civil contempt, which means that the judge would order the defendant to jail and keep him there until he agreed to comply with the court's order or decree. The court would not need to resort to criminal contempt because he could accomplish what he wants to through civil contempt. In practical effect, therefore, defendants under this act are not given a jury trial. However, the provision which extends jury trial to all cases of criminal contempt will apply to 38 acts of Congress, wherein the administrative agencies of the Government are compelled to enforce their orders and decrees through injunction. It is now conceded that this will produce chaos and hopeless confusion in the administrative agencies of our Government, and the proponents of the bill now want to eliminate this provision and to limit jury trials in criminal contempt to this act.

In order to illustrate the harmful effect which would result from the Senate amendment, let us take a typical case: When someone puts on the market a poisonous or deleterious food or drug, the Food and Drug Administration can get a Federal judge to issue an injunction restraining the shipment, sale or marketing of such food or drug. Under the Senate amendment the defendant could demand and obtain a jury trial. Let us take the case of a "quack" who is peddling some harmful drug. He is enjoined but ignores the injunction. When he is held in criminal contempt he demands a jury trial and weeks may be consumed in the trial. He can introduce scores of deceived patients to testify regarding the efficacy of his treatment or drug. This situation applies to practically every administrative agency of the Government.

The effect, therefore, of the Senate amendment would be to do far more harm than good. It would afford very little protection for defendants accused of denying voting rights, but it would practically paralyze the administration of many laws of Congress.

Thus we have another example of a politically motivated bill which has been carelessly and loosely written for the purpose of capturing minority votes.

It is probable that many other flaws in this so-called civil-rights bill will be discovered in the course of time. For instance, under the present law, if any act is made a crime by State or Federal law every defendant is entitled to a jury trial in contempt proceedings. It appears that the Senate amendment repeals this law so that hereafter the criminal contempt will be defined by general jurisprudence. What will be the effect of this? Some very responsible authorities hold that this provision will actually curtail the present right of defendants to a jury trial in contempt proceedings.

Furthermore, the bill as amended by the Senate permits the Federal Government to prescribe the qualifications of jurors in violation of our Constitution, which reserves this right to the States. It is now conceded that the Senate amendment is unworkable, and the proponents now want to limit it to voting rights. This illustrates the political nature of this bill from its very inception.

When this bill came before us in 1955, I offered an amendment providing for fair rules of procedure, which was adopted by the House. I also offered several other important amendments which were adopted. In fact, the bill was materially changed on the floor of the House because it was so loosely and carelessly drawn that even its proponents could not defend it. The bill failed to become a law. It was hoped that this experience would persuade the proponents of civil rights to write a bill which could be understood. While this bill is an improvement over its predecessor in some respects, it is still subject to many serious objections.

Of course, the fatal defect in the bill is the basic provision, which authorizes the Attorney General at the taxpayers' expense to foment litigation. This is absolutely indefensible. There are ample civil and criminal laws on our statute books to protect the constitutional rights of every citizen. Under our present Federal laws, if any qualified citizen is denied the right to vote on account of race, color, or creed, all that he has to do is to complain to the Federal district attorney and the guilty person or persons can be prosecuted and convicted for a crime. As I said, the real purpose of this bill is political. It is designed to capture the Negro vote. In doing so, little or no consideration has been given to the mischief and ill will which will be stirred up.

I recognize of course, Mr. Speaker, that those of us who are opposed to this kind of legislation are in a hopeless minority. Any bill labeled civil rights which comes on the floor will be adopted by a majority of 3 to 1. Under the rigid rules of the House, there is no opportunity for a filibuster after the bill once reaches the floor. Our only hope has been that the other body would exercise its privilege of prolonged debate to keep such a bill from becoming a law. This was not done, and we are now confronted with a politically inspired measure which will be passed when it reaches the floor.

I am hoping that the bill can be kept in the Rules Committee until next year at least, so that the Congress and the country will have an opportunity to understand the unwise provisions of the bill. Many bugs in the bill have been discovered since it passed the House and the Senate, and many more will be discovered before next January.

I want to compliment those of my southern colleagues who have courageously and steadfastly fought this iniquitous bill with all the resources at their command. It has been my privilege and honor to collaborate with them. It is my understanding that the bill was originally slated to be brought to the House on February 15th, but it was not until July that it came to us for a vote. The delay in the consideration of the bill, which has been brought about by the strenuous opposition of a minority of Members, has been responsible for the discovery of some of the glaring defects of the bill.

I want to compliment my colleagues, Hon. HOWARD SMITH and Hon. WILLIAM COLMER, for their great leadership in our fight against this bill. They have shown rare courage and resourcefulness and our country owes them a great debt of gratitude. Anyone can go downstream and move with the tide, but it takes the very rare quality of moral courage to stand up and be counted when the

going is rough. Both of these great statesmen are true sons of the South. They have typified that devotion to principle which has characterized so many of our southern leaders. They have refused to bend their knees so that thrift may follow fawning. They have chosen the stony paths of self-respect to the alluring and comfortable road of political advancement. In their leadership of the opposition, they have been supported by a group of the finest men I have even known in Congress. All of them are a credit to their people. They have kept the faith and fought the good fight, uncaring consequences. They have taken seriously Shakespeare's immortal words:

This above all: To thine own self be true, and it must follow, as the night the day, thou canst not then be false to any man.

Mr. Speaker, I am opposed to this bill with or without the Senate amendment. This legislation strikes at the very heart of constitutional government in America. It is another step in the direction of stripping our States of their reserved rights. Those who vainly imagine that this bill will satisfy the advocates of so-called civil-rights legislation are doomed to a rude awakening. Their success in this measure would only serve to whet their appetite for more drastic legislation. You cannot compromise with principle and satisfy those who demand such compromise, or safeguard those who yield such compromise. Time will prove, Mr. Speaker, that this is one of the worst bills that Congress ever passed.

A Bill To Prohibit Government Agencies From Acquiring or Using the National Grange Headquarters Site Without Specific Congressional Approval, To Provide for Renovation of the Old State Department Building

EXTENSION OF REMARKS

OF

HON. J. FLOYD BREEDING

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1957

Mr. BREEDING. Mr. Speaker, and my distinguished colleagues, I would like to rise and say a few words in behalf of a bill I introduced today to retain the National Grange Building and historical old State Department Building.

The National Grange Building, located on Jackson Place in the Nation's Capital, just one block from the White House, is in imminent danger of being demolished to make room for a Government office building. The Grange Building is the symbolic national home of many of America's farm families, and I feel, along with some 21,000 grangers from the State of Kansas, that this property should remain intact. This bill is to prohibit Government agencies from acquiring or using the National Grange headquarters site without specific Congressional approval. Since we are all concerned with economy, I would also like to point out that it will undoubtedly cost the Federal Government $500,000 if this property is acquired by condemnation, and that the taxpayer will be put to the expense of wrecking the building, clearing its site and then sowing the 3,500 square feet of land to lawn. I must concur with Representative MACK that this will indeed be "some lawn."

This bill also provides authority for the Administrator of the General Services Administration to make such improvements and repairs to the old State Department Building as shall be necessary to make this building suitable for use as an office building by the President of the United States, except that any action taken shall not materially alter the exterior appearance of this building.

Orlando Passannante

EXTENSION OF REMARKS

OF

HON. HAROLD C. OSTERTAG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1957

Mr. OSTERTAG. Mr. Speaker, a kind and beloved gentleman, for many years my constituent and friend, recently was called to his last rest. Over a long period of years he gave generously of his time to his neighbors and friends, and his continuing charitable endeavors and efforts to be helpful to others greatly benefited the good people of his community.

I speak of Dr. Orlando Passannante, late of Rochester, N. Y.

Born in Vietri Di Potenza, Italy, Dr. Passannante received his early education in Naples and Salerno. He came to the United States in 1908 and 6 years later was graduated from Columbia University's School of Pharmacy. In 1916 he arrived in Rochester and soon thereafter opened the pharmacy which he owned and operated until his retirement in 1954.

Dr. Passannante was a pioneer in Italian language radio broadcasting in Rochester. In 1935 he began the Italian Hour, a program of Italian news, music, and religious events, which now is conducted by his son. He was known and applauded for his efforts to advise and assist those in his community. He had a way of making their problems his own and with rare patience and understanding he strove to lighten or resolve them. It so happened that he encountered and counseled with many newly arrived Italians, and in the interest of all concerned he never failed to explain and emphasize the privileges and advantages of American citizenship. Representing, as I do, the 39th Congressional District of New York in which Dr. Passannante lived, I am fully aware of his great contribution in assisting those in need of help and guidance, particularly in regard to immigration matters.

Dr. Passannante's life was a rich and full one, and the community in which he spent it is a better one for his having lived there. His countless friends will cherish his memory.

Imports of Foreign Plywood Are Robbing Thousands of American Workers of Their Jobs

EXTENSION OF REMARKS

OF

HON. RUSSELL V. MACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1957

Mr. MACK of Washington. Mr. Speaker, several large plywood plants in the Pacific Northwest have announced that they are closing their plants "indefinitely." Many other plywood plants in Oregon and Washington are operating on a curtailed basis. Many plywood workers and also the loggers who supply these plywood mills with logs are idle.

Why this slump in business and this unemployment in the plywood industry when most of the other industries of the Nation are enjoying boom or near-boom times?

The answer is to be found in reading the Department of Commerce's figures on plywood imports. A few years ago practically no foreign plywood was being imported into the United States. Now, however, 75 million square feet of foreign hardwood plywood valued at almost $6 million is coming into the United States each month, and worse still, this volume of foreign plywood imports is flooding the United States in increasing quantities month after month.

In May of this year, the last month for which plywood-import figures are available to me, plywood imports into the United States totaled 77,424,000 square feet and had a dutiable value of $5,698,411.

Based upon these figures, it is a fair estimate that about 900 million square feet of plywood with an import value of about $60 million will come into the United States this year, most of it from Japan where the wage rate in the forest products industries is about 11½ cents an hour.

Arnold Koutonen, of Olympia, Wash., general manager of the St. Paul and Tacoma Lumber Co. plywood operations, says that the amount of plywood now coming into the United States from Japan alone is equivalent to the production of 12 large American plywood mills employing a total of 5,000 workers.

Of the imports of foreign plywood, Mr. Koutonen, who is a past president of the Douglas Fir Plywood Association, said in a recent press interview:

No question about it, these foreign imports are taking a deep dig into the domestic industry. The Japanese are producing a high quality product that is not only competing with our American hardwood plywood but in certain instances is replacing fir plywood in some areas.

Right now—

Says Mr. Koutonen—

the Japanese are exporting 75 million square feet of hardwood plywood a month to the

United States. This is equal to the production of 12 of our own plants employing 5,000 workers.

Plywood imports into the United States from Japan are 50 to 60 percent greater this year than last year and, worse still, are increasing. Imports of Japanese plywood in May 1956 were 43,823,000 square feet according to the United States Department of Commerce and in the same period of this year were 63,203,000 square feet or a 50 percent increase over the same month of a year ago.

The Japanese plywood worker receives a wage of 11½ cents an hour and is paid no overtime rate for overtime work. American workers cannot and should not be expected to compete with such starvation wages.

While practically all of the plywood coming into our country is hardwood plywood, still this hardwood plywood due to the low price paid the labor that makes it is selling at prices below those at which softwood plywood can be manufactured in this country. As a result, imported hardwood plywoods are being used as substitutes in fields which heretofore were exclusively served by our western softwood plywoods. The result is much unemployment in the plywood industry of the Pacific Northwest.

Multitudes of Americans suffer financial losses and often financial hardship when plywood mills are closed due to loss of their American markets to foreign competitors.

Workers in the plywood plants lose their jobs or find their workweeks curtailed. Their income shrinks.

Operators, when their plants are down, make no profits. They lose money.

The workers and operators in industries that supply American plywood mills with materials such as logs, also have to close down with loss of wages and profits.

Merchants and others whose businesses rises when labor prospers also suffer from job and profit curtailments.

The biggest loser when too much foreign goods come into our country is the Government of the United States itself.

When a plywood manufacturer makes money he pays 52 percent of his corporation profits into the Federal Treasury as income taxes.

All workers when earnings are high and employment steady, pay large sums in Federal income taxes but they pay little or no such taxes when forced into idleness.

All the suppliers of industries crippled by too much imports also suffer loss in profits, wages, and salaries and also pay less income taxes.

Foreign workers and foreign industries which make plywood in foreign plants in foreign countries pay no income tax into the United States Treasury.

I have a bill that has been pending consideration by the Ways and Means Committee for many months.

My bill (H. R. 5942), if enacted into law, would limit the imports of foreign hardwood plywood to 15 percent of the domestic consumption of the United States for the previous years.

This year plywood imports are totaling almost 50 percent of the hardwood plywood consumption of the Nation. These imports this year will total, it is expected, about 900 million square feet valued at $60 million. Under my bill these plywood imports would be cut to about 300 million square feet valued at some $20 million.

My bill (H. R. 5942), if adopted, would allow Japan and other nations a large market in the United States but still a much smaller market than they now have. The result of enactment of my bill would be that while our American plywood workers still would be injured to some extent they would not be hurt nearly as badly as they now are being injured by the deluge of foreign plywood that is pouring into the United States in ever-increasing quantities.

Every effort that I and other Congressmen have made this year to get legislation reported by the Ways and Means Committee that would slow down the foreign plywood imports which are wrecking large segments of our Nation's economy, closing plants and depriving workers of jobs, has, so far, failed.

I hope when the Congress reconvenes on January 7, 1958, that one of the first orders of business will be to clear for Congressional action bills, such as my bill (H. R. 5942), which if enacted into law, would create anew the jobs of 5,000 or more workers who have been deprived of employment due to too heavy imports of foreign plywood.

I pray that the Ways and Means Committee will act to give relief to the plywood industry and the cities where it exists by speedily enacting legislation that will place quota limits on the quantities of plywood low-wage, low-living-standard nations now are shipping in ever-increasing quantities into the United States.

Elton Layton

EXTENSION OF REMARKS

OF

HON. ROBERT HALE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1957

Mr. HALE. Mr. Speaker, I regret that the time was not available on July 31 when some of my colleagues addressed the House for me also to be recognized to speak about the service of Elton Layton to the Committee on Interstate and Foreign Commerce of which he has been clerk since the year 1921. All of us on the committee lament, though we cannot question, his decision to resign this summer.

There are very few records to equal his in length of service and none that surpasses his in diligence, fidelity, and efficiency as clerk of a great standing committee. The very word "clerk," as applied to an official of a committee like that of Interstate and Foreign Commerce, is misleading. The duties of the clerk are only incidentally clerical. He has formidable administrative tasks and formidable administrative responsibilities in working with the chairman of the committee to schedule all its hearings, maintaining relations with the thousands who follow the committee's legislative schedule, and overseeing the work of a staff of subordinates. Added to this there are a multiplicity of details which may not be overlooked.

Elton Layton is a paragon of efficiency. I have never known him to forget anything or to make a slip or mistake of any kind. On trips of the committee, I have seen Elton attending to his duties on at least three continents in tropic heat and Arctic cold. I am certain he would have been equally good on the other two. I have never known him to get confused or flustered. Public service of this character deserves all the recognition that it can get. The Nation owes far more than it realizes to the experience, competence, and devotion of Elton Layton and the very few people like him who run the machinery which as all Members know is indispensable to the work of a great Congressional committee.

Having served on the committee for 11 years now, I have come to number Elton among my most valued friends. It is a privilege to pay him this tribute and to wish him long life and great happiness.

We shall miss him.

Lake Washington Illustrates Federal Policy of Water Pollution Control Is Ineffective

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1957

Mr. PELLY. Mr. Speaker, under unanimous consent to extend my remarks I should like to say it was most heartening to read a press dispatch of August 10, 1957, from Hershey, Pa., to the effect that jointly a group of State governors and Federal officials had tentatively agreed to recommend that the several States take over five programs, all or parts of which are presently financed by the Federal Government. This was, of course, a sequel to President Eisenhower's suggestion of a study looking toward return of functions to the States and relinquishment of areas of income in order that any such projects could be adequately financed.

According to the newspaper article the group of distinguished leaders meeting in Hershey tentatively agreed to urge as a trial that certain excise taxes be relinquished on the national level, and as a starter consideration be given to transferring full responsibility back to the States for five programs. In particular I was pleased to see that control of water pollution was 1 of the 5 programs suggested. This was because I firmly believe the need of water pollution control is urgent, and the only way to adequately and properly solve that problem is by the States themselves accepting full responsibility for a solution. My interest and information in this one particular subject stems from the situation in my own

State of Washington and a critical example which unfortunately exists in my own Congressional District in Seattle. I want to refer to this particular example because it demonstrates convincingly that in this field our Federal program is inadequate and can be wasteful and ineffective—that it cannot solve overall pollution problems.

Briefly, the problem I cite has to do with Seattle's backyard and concerns Lake Washington and its drainage area. Right now a comprehensive sewer survey of this metropolitan area is in progress, and competent engineers on the basis of previous studies already point up that the solution is impossible unless all cities in an enitre drainage basin consolidate into one united plan and program. Our State has authorized such a consolidated plan.

Anyone who watched television last Sunday and saw the Seafair festival and the gold cup hydroplane races held on Lake Washington will have obtained an idea of a great city of more than 500,000 people expanding across and encircling a beautiful, deep fresh lake 12 miles long and a few miles across. What was not visible was the effect of sewage disposal in the drainage basin of this lake which up to now has been an unsurpassed water and boating recreation area. How tragic pollution is to this beautiful spot cannot be put into words. The drainage area of the lake is rapidly being urbanized, it should be emphasized, and any plan for sewerage treatment or any other public service must contemplate the continued population growth. In 1954 there were about three quarters of a million people living in the area, and sewer problems today must be studied on the basis of the future with an estimated 2 million population during the expected life of any comprehensive sewer disposal program.

Today in the lake's drainage basin, an area of about 480 square miles, the people entrust 19 city councils in that many cities and commissioners of 21 sewer districts to protect their health and solve the problem of sanitation. Thus there are 40 separate authorities to cope with the respective community problems, and in this connection 18 different municipal treatment plants are presently operated, plus 8 private sewer systems and plants. But these 26 separate systems or others when added will not prevent pollution of the lake.

After the gold cup races were over, if one watched television one saw the maintenance crew of the winning boat and its driver jubilantly jump into the water, and swimmers were in evidence earlier. But actually Lake Washington is contaminated and unsafe for swimming. This great deep beautiful lake, lined with lovely homes, as I previously mentioned is about 12 miles long and a few miles wide. Engineers say the only way to save the water from becoming unsafe to swim in, or as has been said, from being turned into a cesspool, is by diverting all sewerage affluent into Puget Sound to the west of the city, where the waste would be processed before it was discharged into the salt water and was dispersed by tidal action. In other words there is no scientific longrange means of discharging treated sewage waste into the lake that will provide uncontaminated water.

Yet each one of the 40 different communities on Lake Washington with sewer systems can qualify for Federal funds, and much money would be spent; yet the net result would not save the lake's beauty and freshness from excessive algae growth due to over-abundance of nitrogen and phosphorus.

Mr. Speaker, in the area I have described are thousands of homes where the occupants depend upon septic tanks. It is said 6,000 new private septic tanks are installed each year. Thousands of these tanks do not work properly, and much untreated sewage, in spite of increasing legal restrictions, flows into the waters around Seattle. Besides Lake Washington there is a bad pollution situation to the south of Seattle, in the drainage basin of the Duwamish River which flows into Seattle harbor. Industrial waste here is such that the river's oxygen content will barely support fish life.

Now the point I desire to bring out is that with both the drainage areas mentioned, as industry develops and population increases the only solution is diversion of all sewage direct to salt water and into Puget Sound. Seattle's cost in such a program will run into millions and millions of dollars. The Federal aid program to assist in financing sewer disposal is too limited to help Seattle, but it might encourage smaller neighboring cities to install the very individual plants which do not contribute to a solution of the overall situation.

I want to point up this fact—the real road to control of pollution lies in area collaboration, in interstate compacts, and vast sewer districts both interstate and intrastate in nature.

Central consolidated treatment plants represent an economy, too. I have seen it stated that with a 100-million-gallon capacity, primary treatment, the costs run $8 per million gallons per year; whereas with a 10-million-gallon capacity, primary treatment, the per million gallons cost per year is almost 3 times higher—or $23 per million. For 1-million-gallon capaciy the annual cost would be $58 per million.

So in the case I have given as an example, it would be more economical for all cities in the drainage area to join in financing the construction of 1 or 2 large plants rather than for each city, even with the present 30 percent Federal assistance or $250,000, whichever is smaller, to go it alone. The yearly users' cost, not the first construction cost, is what represents the important factor. Still more important is the overall result, and to achieve area pollution control it may well be desirable to completely abandon existing installations.

The solution of other problems such as transit and parks may likewise be resolved in a similar way. The State of Washington passed recently what is called the metropolitan council law. It authorizes a form of government to handle metropolitan services.

Of course, Federal aid could conform to such area programs and planning, but my feeling is that large cities, in all fairness, should be entitled to benefit on the basis of their proportionate tax contribution. Actually, by a sewer use tax, any community can finance its own system. The incentive Federal pollution-control law meanwhile is obviously inadequate, unfair, and worst of all, encouraging individual rather than area treatment which can be unnecessary, ineffective, and wasteful.

So, Mr. Speaker, as I said earlier, the suggestion of returning the function and financing of water-pollution control to the local level is sound, and deserves the fullest support.

United States International Air Transport Policy

EXTENSION OF REMARKS

OF

HON. FRANK T. BOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 16, 1957

Mr. BOW. Mr. Speaker, I have on several occasions in the past joined with other of my colleagues in calling upon the Department of State to take a firm stand in the protection and promotion of American interest in international aviation.

One of the items which we have discussed has been the failure to secure the extension of the route of an American carrier from Frankfurt to Zurich. This flight is but 178 miles. However, it is a very important link in a route that makes economically feasible an international flight. I have had further correspondence with the Department of State on this matter and I, therefore, include in these remarks a letter which I received from the Department of State, dated July 18, 1957, from John S. Hoghland II, Acting Assistant Secretary for Congressional Relations, together with my reply to Secretary Hoghland on August 9, 1957:

DEPARTMENT OF STATE,
Washington, D. C., July 18, 1957.

The Honorable FRANK T. BOW,
House of Representatives,
Washington, D. C.

DEAR MR. BOW: Reference is made to your letter of June 14, 1957, in which you expressed interest in the extension to Zurich and beyond of Trans World Airlines' present route to Frankfurt via London. Your speech and extension of remarks on this matter, and on United States international air transport policy in general, have received thorough consideration. Your courtesy in forwarding the texts of your remarks on these subjects is appreciated. In view of your expressed interest, the following detailed comments have been prepared for your further consideration of the issues in question.

Your views as to the importance of TWA's Frankfurt-Zurich extension are fully shared by the Department. Since the carrier's amended certificate was approved by the President in 1952, the acquisition of additional traffic rights from foreign governments, where required, has been a primary objective of United States foreign relations in the air transport field. In some countries the additional traffic rights in question could be obtained only by the grant of additional traffic rights in the United States. For

example, the fact, mentioned in your speech, that the German Government does not object to the service, is due to the fact that the traffic rights desired by the United States have been obtained from the German Government in exchange for the grant of traffic rights of equal value for the German airline. Incidentally, the grant to Germany of traffic rights necessary for this purpose was strenuously opposed by certain United States airlines which either had no interest in the extension of TWA's route beyond Frankfurt or which activity opposed such extension for competitive reasons.

It is true that the British Government thus far has refused to grant additional traffic rights in the United Kingdom for TWA operations over the proposed route beyond Frankfurt. Within the last 16 months, this Government has pressed its request during each of 3 formal meetings with representatives of the British Government and has actively pursued the matter through diplomatic channels. It should be emphasized that TWA already is exercising unrestricted rights to carry traffic between New York and London and between London and Frankfurt. These rights would not be affected by the extension of the airline's route beyond Frankfurt. Moreover, the British are interposing no objections to the extension as such. They have not agreed however, to permit TWA to carry traffic between London and points in countries beyond Frankfurt. The British Government takes the position that airlines of Great Britain and the foreign countries involved have primary claim to traffic between their countries; that competitive United States-flag carrier services between such points would have a serious adverse effect on British carriers; and that Great Britain has at present no reciprocal route desires of the United States which would equal in value the additional rights desired by this Government for TWA. The Department remains determined to pursue this matter to a satisfactory conclusion. However, in view of the adamant position of the British Government and the opposition of most United States airlines to the grant of additional traffic rights to British airlines, it is not possible to estimate when this issue may be resolved. In the meantime, of course, the decision to delay the establishment of service beyond Frankfurt in the exercise of the traffic rights already negotiated by this Government rests solely with TWA.

With respect to the portion of your speech which expressed concern lest the Government was abandoning the basic principles upon which its international air transport policy has been based since 1946, the Department takes this opportunity to assure you without qualification that the Government's actions have been guided by the desire and the determination to give effect to those principles and to encourage adherence to them on the part of foreign governments. All of the bilateral air transport agreements which this Government has concluded since 1946, with the possible exception of that with India, reflect these principles. The bilateral agreement with India differs in some respects from the other air transport agreements which the United States has negotiated since 1946. This was necessitated by the differing philosophy between the two governments as to the methods through which the orderly development of air transportation might best be achieved and by the unique nature of air transport between the two countries.

With regard to the application of United States international air transport policy to specific route exchanges, the agreement with the Netherlands, which was mentioned in your letter, is one of the most controversial. The Department's position in this matter, and the practical problems which it must face in discharging its responsibilities in the interest of the Nation as a whole, were explained by Mr. Thorsten V. Kalijarvi, Assistant Secretary of State for Economic Affairs, in a recent address before the International Management Association. A copy of Mr. Kalijarvi's remarks is enclosed.

The Department appreciates your interest in these matters, and hopes that you will find the foregoing comments and the enclosure useful in your continued consideration of the important issues relating to United States international air transport policy.

Sincerely yours,

JOHN S. HOGHLAND II,
Acting Assistant Secretary for Congressional Relations.

WASHINGTON, D. C., *August 9, 1957.*

Mr. JOHN S. HOGHLAND II,
Acting Secretary for Congressional Relations, Department of State, Washington, D. C.

DEAR MR. HOGHLAND: Thank you for your letter of July 18, 1957, commenting on the Department's inability to secure operating rights for Trans World Airlines' route beyond London via Frankfurt.

Your position seems to be that international routes result from trades between governments and that the United States has nothing to offer the British in return for TWA's Frankfurt-Zurich rights. The idea seems to be that we have nothing to trade because we have already given them everything they want.

I understand, moreover, that the United States recently accepted without protest a notice under the United Kingdom bilateral that had the effect of giving the British traffic rights between Tokyo and the United States and that we received nothing in return for this grant. I do not understand why the same procedure cannot be used with respect to TWA's Frankfurt-Zurich rights.

I also understand that there is now in effect an extremely generous interpretation of British rights under the bilateral agreement that extends BOAC's transatlantic route from New York to California. Under that interpretation, BOAC is carrying between California and New York traffic destined for London that is to be carried beyond New York on the lines of another carrier, as well as traffic originating at New York that is destined for points in the Orient on the routes of Qantas. I also understand that BOAC intends to carry across the United States traffic originated in Canada and destined to Honolulu. These appear to be valuable rights arrived at by interpretation in return for which our American carriers again received nothing.

I have been told that BOAC does approximately $25 million worth of business a year on its transatlantic route to and from the United States, and that just the annual rate of increase in this business for the last 6 years far exceeds the revenues that TWA could expect to receive as a result of extending its operations beyond Frankfurt.

The true interest of our Government must be in the practical effect of the route situation on our carriers and on foreign carriers, and I for one am not impressed by the argument that the British are not asking for anything just now.

Second, your letter explains that TWA could start operating the Frankfurt-Zurich traffic today if it did not carry traffic between London and points east of Frankfurt. Surely you must agree that the right to operate in an uneconomic manner and one not contemplated by the CAB award, cannot be regarded as any right at all.

I would appreciate it if you could from time to time keep me advised of progress made by the Department on this route.

Yours sincerely,

FRANK T. BOW,
Member of Congress.

SENATE

MONDAY, AUGUST 19, 1957

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

God, our Father, beset by the pressures and problems of a changing social order, we would pause at the beginning of a week freighted with thorny questions of public affairs, to remind our inmost, burdened selves that the Lord is our light and our salvation; the Lord is the strength of our lives; of whom shall we be afraid?

Daily we pray, "Thy kingdom come." Always after that petition we would add, in our hearts, "Thy kingdom come to earth through us." Without a steadfast conviction in that ultimate good, all we have held sacred becomes meaningless. In this day of fear and fatigue and frustration, without this ringing faith we are lost. In the global struggle now raging for the hearts and minds of men, may our creed be a living flame which will fire our political doctrines and our spiritual ideals with a consuming passion for the faith in which we will gallantly live and readily die. We ask it in the name of the One whose life and death mean life for all mankind. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the Journal of the proceedings of Friday, August 16, 1957, was approved, and its reading was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 16, 1957, the President had approved and signed the following acts:

S. 42. An act to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes; and

S. 1446. An act to amend title 14, United States Code, so as to provide for retirement of certain former members of the Coast Guard Reserve.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2391. An act to clarify the Internal Revenue Code of 1954 with respect to the allowance of percentage depletion in the case of sand and gravel extracted from navigable waters;

H. R. 4952. An act to amend the Internal Revenue Code of 1939 and the Internal Revenue Code of 1954 with respect to foreign