be of great disservice to relations between our two nations. And, may I say too, the same is true of Mexico and our source of shrimp—where I believe even without a change in the territorial limit we have been a market for 95 percent of Mexico's shrimp production. Adoption of the Canadian 12-mile proposal could do great harm to all three nations and I am frank to say such a compromise invites economic reprisals as I shall outline.

Of course, it sounds inviting to our neighbors that they might obtain exclusive fishing rights by such an international convention, but I am certain our Senate would never ratify any such treaty and then the trouble would begin, if not before.

Meanwhile, our State Department has informed the United States fishing industry it agrees fully with its claim of historic rights, but says in consideration of security it has had to instruct our representatives in Geneva to support the Canadian proposal. So our Government is officially aiding and abetting our neighbor on the north in a shameful and unlawful scheme. In thus bartering away these fishing rights, and buying status quo for other purposes, as a nation, we not only dishonor the obligation of the administration's political platform but also set an alltime low in our foreign relations. The glorious episodes of the past are forgotten as, for example, when a young nation refused to pay tribute to the Barbary pirates. Now, figuratively speaking, we are offering 20 pieces of silver in the form of fishing rights and the Judas is our own State Department. Fishery problems should be resolved between themselves by the nations involved. If the Geneva agreement goes against us, sooner or later that is the only way it can be finally solved.

Until that decision is made and the news reaches us, let those of us in Congress, who have not forgotten the moral obligation to our fishermen and fishing industry serve notice that we will stand firmly by our pledge or for what is right. May I say, Mr. Speaker, that I have been studying legislation which as a separate bill or an amendment to the Reciprocal Trade Act would establish an absolute embargo on the fish and seafood of any nation which acquires through the conference on the law of the sea exclusive fishing rights in zones which heretofore have been open to our fishermen on an equal basis.

Adoption of such a law would be in conformity with long established local domestic laws against receiving stolen property, such as those zones would yield. Legislation of that kind unfortunately is the only answer I can conceive of at this moment to deter the international thievery which is in prospect for us from the Geneva Conference.

In conclusion, let me add that I greatly regret the necessity of speaking out against my own administration. It is the first time I have felt compelled to do so in more than 5 years.

SENATE

MONDAY, MARCH 31, 1958

Dr. Norman Parr, minister, Chagrin Falls Methodist Church, Chagrin Falls, Ohio, offered the following prayer:

Most gracious God, we humbly beseech Thee, as for the people of these United States in general, so especially for their Senate and House of Representatives in Congress assembled, that Thou wouldst be pleased to direct and prosper all their consultations, to the advancement of Thy glory, the good of Thy church, the safety, honor, and welfare of Thy people; that all things may be so ordered and settled by their endeavors that truth and justice, religion and piety may be established among us for all generations. These and all other necessaries, for them, for us, and for Thy whole church, we humbly beg in the name and mediation of Jesus Christ, our most blessed Lord and Saviour. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 27, 1958, 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 March 28, 1958, the President had approved and signed the following acts:

S. 147. An act for the relief of Guido William Grambergs;

S. 161. An act for the relief of Elias Youssef Mikhael (Ellis Joseph Michael);

S. 235. An act to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service;

S. 285. An act for the relief of Paul Gustin;

S. 1249. An act for the relief of Martha A. Calvert;

S. 1287. An act for the relief of Heinz August Schwarz;

S. 1331. An act for the relief of John P. Souvaldzis;

S. 1359. An act for the relief of Franz Hehn;

S. 1403. An act for the relief of Michael James Bolger;

S. 1519. An act for the relief of Isaac Lidji, Henry Isaac Lidji, and Sylvio Isaac Gattegno;

S. 1543. An act for the relief of Dorene I. Fast;

S. 1600. An act for the relief of the C-L Electric Co.;

S. 1984. An act to provide for the transfer of the Civil Service Commission Building in the District of Columbia to the Smithsonian Institution to house certain art collections of the Smithsonian Institution; and

S. 2042. An act to authorize the conveyance of a fee simple title to certain lands in the Territory of Alaska underlying war housing project Alaska-50083, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the following concurrent resolutions:

S. Con. Res. 64. Concurrent resolution accepting the statue of Maria Sanford, presented by the State of Minnesota, to be placed in Statuary Hall; and

S. Con. Res. 65. Concurrent resolution to place temporarily in the rotunda of the Capitol a statue of Maria Sanford, and to hold ceremonies on such occasion.

The message also 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 Senate to the bill (H. R. 5822) to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 9821) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FALLON, Mr. BLATNIK, Mr. JONES of Alabama, Mr. MCGREGOR, and Mr. GEORGE were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 11574. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1959, and for other purposes; and

H. R. 11645. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes.

LIMITATION OF DEBATE DURING MORNING HOUR

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. In that connection, I ask unanimous consent that statements be limited to 3 minutes.

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

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of calendar, under the rule, be dispensed with.

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

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, I should like to announce that, in addition to the program for today, as published in the Record for last Thursday, the Senate will also consider Calendar 1429, Senate bill 3087, to provide for

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

the establishment of Fort Clatsop National Memorial in the State of Oregon.

Mr. President, when the conference report on the rivers and harbors bill comes to the Senate today, it is the intention of the acting majority leader to ask that the yeas and nays be ordered on the question of agreeing to the report.

It is also the intention of the acting majority leader to have the Senate proceed, tomorrow, to the consideration of the Fulbright communities facilities bill. With the cooperation of the distinguished minority leader, I hope we shall be able to agree upon a reasonable time for the Senate to convene tomorrow morning, and that it will be possible for the Senate to meet late tomorrow afternoon and evening, in order to give consideration to that bill before the Easter recess is taken.

Mr. KNOWLAND. Mr. President, I have no objection to having the session tomorrow begin at noon. I would have to object to having the session tomorrow begin at an earlier hour, because the Republican leadership is to meet at the White House tomorrow morning.

ORDER FOR RECESS UNTIL TOMORROW AT NOON

Mr. MANSFIELD. Mr. President, on the basis of the statement just made by the distinguished minority leader, I ask unanimous consent that when the Senate concludes its business for today, it stand in recess until tomorrow at noon.

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

Mr. MANSFIELD. Mr. President, I should like to notify the Senate that the session tomorrow will continue until 10 p. m., 11 p. m., or perhaps later, in an effort to obtain final action on the communities facilities bill, to be reported by the Banking and Currency Committee.

The VICE PRESIDENT. Morning business is in order.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON CONSERVATION RESERVE PROGRAM OF THE SOIL BANK

A letter from the Under Secretary of Agriculture, transmitting, pursuant to law, a report on the conservation reserve program of the Soil Bank, for 1957 (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

A letter from the Administrator, Small Business Administration, Washington, D. C., transmitting, pursuant to law, a report on the Reconstruction Finance Corporation liquidation funds, as of September 30, 1957 (with an accompanying report); to the Committee on Banking and Currency.

IMPROVEMENT AND MAINTENANCE OF FEDERAL AIRWAY SYSTEM

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to provide revenue for the administration, operation, improvement and maintenance of the Federal airway system (with accompanying papers); to the Committee on Finance.

REPORT ON UNITED STATES CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

A letter from the Secretary of State, transmitting, pursuant to law, a report on the extent and disposition of United States contributions to international organizations (with an accompanying report); to the Committee on Foreign Relations.

REPORT PRIOR TO RESTORATION OF BALANCES, TREASURY DEPARTMENT

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report of the Bureau of Accounts, covering restoration of balances withdrawn from appropriation and fund accounts under the control of the Treasury Department, dated March 18, 1958 (with an accompanying report); to the Committee on Government Operations.

SELECTION OF SUPERINTENDENTS OF NATIONAL CEMETERIES

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to repeal the act of March 24, 1948, which establishes special requirements governing the selection of superintendents of national cemeteries (with an accompanying paper); to the Committee on Interior and Insular Affairs.

ADJUSTMENT OF CERTAIN CHARGES EXISTING AS DEBTS AGAINST INDIVIDUAL INDIANS OR TRIBES OF INDIANS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, an order to adjust and eliminate reimbursable charges of the Government existing as debts against individual Indians or tribes of Indians, together with recommendations of the Commissioner of Indian Affairs concerning these debts (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF GIRL SCOUTS OF AMERICA

A letter from the president and national executive director, Girl Scouts of the United States of America, New York, N. Y., transmitting, pursuant to law, a report of that organization, for the fiscal year ended September 30, 1957 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A resolution of the Senate of the Commonwealth of Kentucky; to the Committee on Interstate and Foreign Commerce:

"Senate Resolution 73

"A concurrent resolution memorializing the Congress of the United States to refrain from placing toll or restriction upon the use of waterways

"Whereas the suggestion has been made whereby the water transportation industry of the United States of America will be restricted and forbidden by Federal tolls and controls; and

"Whereas in the judgment of the Commonwealth of Kentucky any restriction or waterway toll would be detrimental to the economic development and progress of the United States: Now, therefore, be it

"*Resolved by the Senate of the Commonwealth of Kentucky (the House of Representatives concurring therein)*,

"SECTION 1. That the Congress of the United States refrain from any restriction or toll on the free use of the waterways of the United States and leave same free for unimpeded development and use.

"SEC. 2. That a copy of this resolution be mailed by the clerk of the senate to all Kentucky's representatives in the Congress of the United States."

A concurrent resolution of the Legislature of the State of South Carolina, favoring the enactment of legislation to cancel all income taxes for a period of from 3 to 4 months of the next tax year; to the Committee on Finance.

(See the above concurrent resolution printed in full when presented by Mr. JOHNSTON of South Carolina (for himself and Mr. THURMOND), which appears under a separate heading.)

A concurrent resolution of the Legislature of the State of South Carolina, favoring the setting aside of the week of March 31 to April 5 as that time when all citizens will be urged to purchase their needs in order to restore the confidence of the American public in their economic stability; to the Committee on the Judiciary.

(See the above concurrent resolution printed in full when presented by Mr. JOHNSTON of South Carolina (for himself and Mr. THURMOND), which appears under a separate heading.)

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Interior and Insular Affairs:

"Resolutions memorializing the Congress of the United States to enact legislation to expand the use of artificial irrigation

"Whereas in the words of His Excellency, the Governor, in his annual message: 'The recent experience of our farmers has highlighted the importance of encouraging the broad use of artificial irrigation. Assistance to Massachusetts farmers for irrigation purposes is made available by the Federal Government in limited amounts'; and

"Whereas such a program should be expanded to include more assistance to more farmers: Therefore be it

"*Resolved*, That the General Court of the Commonwealth of Massachusetts hereby memorializes the Congress of the United States to expand this program, particularly to marginal farmers; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth."

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

"Senate Joint Resolution 4, relative to the location of a sea-water conversion plant in Southern California

"Whereas Senator CLINTON P. ANDERSON, of New Mexico, has recently made a request in Congress for an appropriation of $10 million for the construction of a full-scale demonstration plant for the production from sea water of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses through the utilization of the ionic-membrane process or one of the three most promising saline-water conversion processes currently under study in the Department of the Interior; and

"Whereas the county of Los Angeles has transmitted to Senator ANDERSON a request that southern California be chosen as the site of the proposed demonstration plant; and

"Whereas southern California is probably the most logical place in the country for the location of such a plant in view of its coastal location and its urgent need for water to supplement its supply from other sources: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California (jointly)*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to take the necessary steps to make southern California

the site of the proposed $10 million sea-water conversion test plant; and be it further

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

A joint resolution of the Legislature of the State of California; ordered to lie on the table:

"Senate Joint Resolution 10, relative to Federal accounting practices

"Whereas under the present Federal accounting system, agencies receiving lump sum appropriations for projects running over a period of years are not required to report on the cost of the programs or their progress from year to year; and

"Whereas this antiquated procedure results in an enormous waste of money to the taxpayers annually; and

"Whereas the Hoover Commission, which estimates such carryover funds at $70 billion, almost a year's total budget, has recommended that Federal budgeting be placed on an annual accrued expenditures basis to stop this wasteful practice; and

"Whereas the proposal, as embodied in H. R. 8002, would provide for Congress to retain control over such expenditures by appropriating them on a yearly basis and checking them by yearly review; and

"Whereas in the last session of Congress this bill was passed by the Senate unanimously, and was one of the chief recommendations in President Eisenhower's recent budget message: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California (jointly),* That the Legislature of the State of California respectfully memorializes the Congress of the United States to enact into law H. R. 8002 placing Federal budgeting on an annual accrued expenditures basis; and be it further

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

A resolution adopted by the Board of Supervisors of Van Buren County, Mich., favoring the enactment of legislation to provide funds for the acceleration of highway construction; to the Committee on Appropriations.

A resolution adopted by the Public Service Commission of Delaware, relating to the activities of the General Services Administration; to the Committee on Appropriations.

A resolution adopted by the Orange County Associated Chambers of Commerce, Huntington Beach, Calif., favoring the enactment of House bill 3260, relating to increased benefits for dependents of retired career servicemen; to the Committee on Armed Services.

A resolution adopted by the Harbor District Chambers of Commerce, Los Angeles County, Calif., favoring the repeal of telephone and transportation excise taxes; to the Committee on Finance.

A letter from the Assistant Secretary of State, transmitting, for the information of the Senate, a translation of a note received by the American Embassy, at Cairo, from the Ministry of Foreign Affairs of Egypt, concerning a resolution adopted by the Egyptian National Assembly relating to the recent French bombing of a Tunisian village (with an accompanying paper); to the Committee on Foreign Relations.

A letter, in the nature of a petition, from Frank Ace, president, Lindsey Building Corp., Yonkers, N. Y., relating to the cost of operating trucks, and high taxes; to the Committee on Labor and Public Welfare.

A resolution adopted by the Woman's Club, of Hollywood, Calif., relating to the mailing of obscene literature; to the Committee on Post Office and Civil Service.

A resolution adopted by the board of directors of the Orange County (Calif.) Chamber of Commerce, favoring the recognition of Orange County as a metropolitan area by the Federal Government; to the Committee on Post Office and Civil Service.

A resolution adopted by the Alaska Statehood Committee, at Juneau, Alaska, favoring the enactment of legislation to provide statehood for Alaska; ordered to lie on the table.

The memorial of George Washington Williams, of Baltimore, Md., remonstrating against the adoption of the billboard provision of the Federal highway construction bill; ordered to lie on the table.

NATIONAL MILK SANITATION ACT—MOTION

Mr. HUMPHREY. Mr. President, the Dodge County Farm Bureau Dairy Committee of Dodge Center, Minn., recently adopted a motion urging support and passage of a National Milk Sanitation Act.

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

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

DODGE COUNTY FARM BUREAU,
Dodge Center, Minn., March 25, 1958.

Senator HUBERT HUMPHREY,
United States Senate,
Washington, D. C.

DEAR MR. HUMPHREY: Our farm bureau dairy committee met Wednesday, March 19. We passed a motion that we urge support and passage of a National Milk Sanitation Act which will set up Federal grades for milk that will allow milk, meeting Federal standards, to move interstate.

DODGE COUNTY DAIRY COMMITTEE.

RESOLUTION OF LANESBORO, MINN., FARMERS UNION LOCAL AND ACOMA LYNN FARMERS LOCAL UNION

Mr. HUMPHREY. Mr. President, I have recently received a resolution from the Lanesboro Farmers Union local urging Congress to restore farm prices to a full parity level. An identical resolution was sent to me by the Acoma Lynn Farmers Union local, as well as the Red Wing Farmers Union local.

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

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

Whereas agriculture is a major industry in this community and in Minnesota; and

Whereas the lowering of farm supports on dairy products, wheat, corn, and the feed grains would create increased hardship in our area; and

Whereas price protection is needed on livestock and poultry because these products make up a large percentage of the cash farm income of this community; and

Whereas the community is losing millions of dollars in income and purchasing power each year, because farmers are not receiving prices which give them a return equal to the cost of production and living; and

Whereas the farm credit situation is serious and capital is lacking both to finance 1958 operations and to make the needed repairs and replacements on the farm; and

Whereas the lack of farm buying power is holding back a large volume of purchases, repairs, and investment in new buildings and machinery, which contribute in turn to a drop in business activity and employment in the city: Now, therefore, be it

Resolved, That we, the Lanesboro Farmers Union members, urge the Congress to take into consideration that the best and most direct method of forestalling the growing business recession and aiding small business in our community, would be to take immediate steps to restore farm prices to a full parity level; and be it further

Resolved, That the Congress be urged to oppose the recommendations for still lower farm-price support levels, and instead to approve measures which will restore farm prices to a higher level at which the sale of farm products will give farmers a fair purchasing power; and be it finally

Resolved, That copies of this resolution be sent to our Members of the House and Senate in the Congress and to other interested officials.

AID FOR PUBLIC-WORKS PROGRAM—RESOLUTION

Mr. HUMPHREY. Mr. President, the United Steelworkers Local Union, No. 4191, recently adopted a resolution urging Congress to appropriate funds and aid for public-works programs to relieve the serious unemployment situation in northern Minnesota.

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

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

Whereas a serious unemployment situation exists in iron-ore mines of northern Minnesota, with hundreds of iron-ore miners unemployed and many more to be laid off as time goes on; and

Whereas this situation has created undue hardship upon these unemployed miners and their families: Now, therefore, be and it hereby is

Resolved, That the United Steelworkers of America, Local Union, No. 4191, requests the Congress of the United States of America to appropriate Federal funds and aid for a public-works program in the above-named area affected by this serious unstable unemployment situation and relieve the undue hardships of these unemployed miners and their families; and to effectuate the securing of the same, copies of this resolution are being sent to the Honorable Congressman JOHN BLATNIK, Eighth District, Honorable Senator HUBERT HUMPHREY, and Honorable Senator EDWARD THYE, of Minnesota.

RESOLUTION OF VILLAGE COUNCIL OF BUHL, MINN.

Mr. HUMPHREY. Mr. President, the Village Council of Buhl, Minn., has recently adopted a resolution urging the appropriation of Federal funds and aid for a public-works program in Mesabi Iron Range area to help combat the serious unemployment situation there.

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

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

Whereas a serious unemployment and unstable economic situation exists in our immediate area and the Mesabi Iron Range, with hundreds of iron-ore miners unemployed and many more to be laid off as time goes on; and

Whereas this serious situation has created undue hardship and suffering upon these unemployed and their families: Now, therefore, be it

Resolved, That the Village Council of the Village of Buhl, Minn., request the Congress of the United States of America to appropriate Federal funds and aid for a public works program in this area affected by this serious unemployment situation and thus help relieve the undue hardship of these unemployed and their families, and to effectuate the securing of the same.

Copies of this resolution to be sent to Hon. JOHN A. BLATNIK, Congressman from our district, Hon. HUBERT HUMPHREY, and Hon. EDWARD THYE, United States Senators from Minnesota.

RESOLUTION OF BOARD OF COMMISSIONERS, HENNEPIN COUNTY, MINN.

Mr. HUMPHREY. Mr. President, the Board of County Commissioners, Hennepin County, Minn., recently adopted a resolution urging passage of S. 2362 and H. R. 6849 to exempt conveyances of real property by or to a State or local political subdivision from the documentary stamp tax by the Congress of the United States.

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

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

Whereas the commissioner of highways of the State of Minnesota has advised this board of House Resolution 6849 and Senate Resolution 2362 now pending in the Congress of tne United States to exempt States and political subdivisions thereof from the requirement of affixing Federal documentary stamp tax on deeds of conveyance to them; and

Whereas the Department of Highways of the State of Minnesota through its commissioner has directed letters to all Members of the House and Senate in Congress urging their support of said House and Senate resolutions; and

Whereas this board believes it to be for the best interest of the State of Minnesota and the county of Hennepin that House Resolution 6849 and Senate Resolution 2362 be passed: Now, therefore, be it

Resolved, That this board urge the adoption of House Resolution 6849 and Senate Resolution 2362 and urge the House and Senate delegation from this State to work for passage of such legislation; be it further

Resolved, That the clerk of this board be directed to send a copy of this resolution to each of the Members of the House and the Senate in the Congress of the United States and to the commissioner of highways of the State of Minnesota.

RESOLUTION OF BOARD OF EDUCATION OF INDEPENDENT SCHOOL DISTRICT 49, ELKTON, MINN.

Mr. HUMPHREY. Mr. President, the Board of Education of Independent School District 494, Mower County, Elkton, Minn., adopted a resolution suggesting three additions to the present proposed plans for the Federal Interstate Route No. 391 through Mower County.

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

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

Be it resolved, That the Department of Highways of the State of Minnesota in the planning and construction of Federal Interstate Route No. 391 through Mower County, Minn., do the following in addition to the present proposed plans:

1. Put a bridge across said Route 391 at the point where this proposed route would cross present U. S. No. 16 approximately 9 miles east of Austin, for the reason that the Elkton School District uses this route to transport students to and from school and without this bridge school vehicles will have to retrace and backtrack on their routes a great deal.

2. Leave present U. S. No. 16 open from the point 2½ miles north of Elkton to the intersection with C. S. A. R. No. 13, for the reason that many of the residents of our district are reached most readily by traveling along this route and closing it will mean much inconvenience in movement of our school buses as well as for the patrons of our district.

CONSTRUCTION OF POST OFFICE AT CLARA CITY, MINN.—LETTER

Mr. HUMPHREY. Mr. President, the directors of American Legion Post 485 of Clara City, Minn., have recently written to me and informed me of their support for the construction of a new post office in Clara City.

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

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

THE AMERICAN LEGION,
CLARA CITY POST 485,
Clara City, Minn., March 25, 1958.

DEAR SIR: We hereby request your attention to a subject which recently was brought before the directors of American Legion Post 485 of Clara City, Minn.

This subject concerns the building of a new post office in Clara City. It was stated that Clara City is in need of a new post office building to handle the increased volume of mail which is being taken care of here. It was also stated that Federal funds would be available to finance the construction of a new post office in Clara City. Local village officials are prepared to give their support to the building of a new post office here.

Understanding that these Federal funds are available we would like to know the process or steps which would have to be taken in order to acquire these funds.

It therefore was decided to send a communication to you to state that the local American Legion post is in favor of a new post office building for Clara City and to request your assistance in furthering this project to a successful conclusion.

Yours truly,

S. H. COLEMAN,
Commander.
HERMAN WARRINGS,
Adjutant.

RESOLUTIONS OF CO-OP SERVICE, INC., NEW YORK MILLS, MINN.

Mr. HUMPHREY. Mr. President, at their annual meeting on March 24, 1958, the Co-Op Services, Inc., of New York Mills, Minn., adopted three resolutions concerning increased postal rates, the depressed economic conditions, and continued favorable financing for REA.

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

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

NEW YORK MILLS, MINN., *March 24, 1958.*
HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

Hon. Mr. HUMPHREY: At the annual meeting of Co-Op Services, Inc., held March 24, 1958, representing approximately 1,500 people, the following resolution was passed:

"Whereas there has been a proposal to raise first-class mail to 5 cents and probably the deficit in the Post Office Department has been due to low rates on second- and third-class, or so-called junk mail: Therefore be it:

"*Resolved*, That this meeting go on record to favor first-class mail as it is and raise the rates on second- and third-class to offset the deficit."

VERNER A. ANDERSON,
Secretary, Co-Op Services, Inc.

NEW YORK MILLS, MINN., *March 24, 1958.*
Hon. HUBERT HUMPHREY,
United States Senate,
Washington, D. C.

Hon. Mr. HUMPHREY: The following resolution was passed at the annual meeting of Co-Op Services, Inc., which was held March 24, 1958, representing approximately 1,500 persons.

"Whereas people everywhere are depressed under present economic conditions; and

"Whereas taxes are sky high due mostly to unnecessary defense spending from which the common people get little benefit; and

"Whereas our shaky economy is being propped up with borrowed money in the form of mortgages, installment buying, and loans with high interest: Therefore be it

"*Resolved*, That drastic measures must be taken: measures such as the Brannan plan with 100 percent parity to the family-type farmer; stamp plans for unemployed to utilize surplus farm commodities; and other programs to increase employment and consuming power of people, and reduction of so-called foolish defense spending on duplicate satellite and missile programs.

VERNER A. ANDERSON,
Secretary, Co-Op Services, Inc.

NEW YORK MILLS, MINN., *March 24, 1958.*
HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

Hon. Mr. HUMPHREY: Whereas this administration is attempting to replace Federal loans to REA by having REA look to private capital for finance, who may be unsympathetic toward cooperatives: Be it

Resolved, That the membership of Co-Op Services, Inc., representing approximately 1,500 persons, at this 47th annual meeting, go on record as favoring the financial policies which have been practical during the past 20 years of REA.

VERNER A. ANDERSON,
Secretary, Co-Op Services, Inc.

TELEGRAM FROM MICHIGAN STATE ADMINISTRATIVE BOARD

Mr. McNAMARA. Mr. President, on March 27, all the members of the Michigan State Administrative Board, headed by Gov. G. Mennen Williams, sent a telegram to the President urging him to approve Senate Joint Resolution 162, stabilizing farm-price supports.

I am hopeful that the President will recognize the great need of the farmers and of the entire economy and sign this measure.

I ask unanimous consent that the text of this telegram—which reflects the official position of the State Administrative Board of Michigan, be printed in the body of the RECORD.

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

LANSING, MICH., *March 27, 1958.*

Hon. DWIGHT D. EISENHOWER,
President of the United States,
The White House, Washington, D. C.:

The members of the Michigan State Administrative Board urge your approval of Senate Joint Resolution 162, which stabilizes farm price supports at present levels.

The Michigan farmer can little longer make his traditional contribution to our economy and society, if the last 5 years of price-cost squeeze permitted under Secretary Benson's policies, topped off by his recent action against our dariy farmers, is permitted to continue. While we look forward to programs of even greater equity to our family farmers and consumers, we feel that Senate Joint Resolution 162 is essential to keep our agricultural community, our third largest industry, from suffering still further reverses. We therefore respectfully request your approval of this bill.

Michigan State Administrative Board, Gov. G. Mennen Williams, Chairman; Lt. Gov. Philip A. Hart; Secretary of State James M. Hare; Attorney General Paul L. Adams; State Treasurer Sandford A. Brown; Auditor General Frank S. Szymanski; Superintendent of Public Instruction Lynn M. Bartlett; Highway Commissioner John C. Mackie.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Banking and Currency, with amendments:

S. 3497. A bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes (Rept. No. 1431).

REPORT ENTITLED "PATENTS, TRADEMARKS, AND COPYRIGHTS" — INDIVIDUAL VIEWS (S. REPT. NO. 1430)

Mr. O'MAHONEY. Mr. President, from the Committee on the Judiciary, pursuant to Senate Resolution 55, as extended, I submit a report entitled "Patents, Trademarks, and Copyrights," together with the individual views of the Senator from Wisconsin [Mr. WILEY]. I ask unanimous consent that the report, together with the individual views, be printed.

The VICE PRESIDENT. The report will be received and printed as requested by the Senator from Wyoming.

BILLS INTRODUCED

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

By Mr. MURRAY:

S. 3573. A bill to amend the public assistance provisions of the Social Security Act to include Guam as a State to which Federal assistance may be extended thereunder; to the Committee on Finance.

By Mr. SMITH of New Jersey:

S. 3574. A bill for the relief of Stamatis Zeris; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3575. A bill for the relief of Mrs. Ern-Gret Birkholz Seim; to the Committee on the Judiciary.

S. 3576. A bill to amend the Federal Water Pollution Control Act to increase one of the limitations on grants for construction from $250,000 to $500,000, and for other purposes; to the Committee on Public Works.

By Mr. HILL (for himself and Mr. SCOTT):

S. 3577. A bill to authorize the Secretary of Agriculture to provide varied commodities to schools and institutions and for needy persons and families out of funds appropriated for diversion of surplus agricultural commodities; to the Committee on Agriculture ond Forestry.

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

By Mr. MANSFIELD:

S. 3578. A bill to prohibit the withholding or impoundment of appropriations; to the Committee on Government Operations.

By Mr. THYE:

S. 3579. A bill for the relief of Milka Jurisich; to the Committee on the Judiciary.

S. 3580. A bill to provide for a preliminary examination and survey of West Two Rivers between Tower, Minn., and Lake Vermilion, for purpose of determining the advisability and cost of improving such river between such junctions for navigation; to the Committee on Public Works.

By Mr. ANDERSON:

S. 3581. A bill to authorize the further extension of certain noncompetitive oil or gas leases issued under the Mineral Leasing Act of February 25, 1920, as amended; to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY (for himself, Mr. MURRAY, Mr. NEUBERGER, Mr. PROXMIRE, and Mr. JACKSON):

S. 3582. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas; to the Committee on Labor and Public Welfare.

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

CONCURRENT RESOLUTIONS

Mr. ANDERSON submitted a concurrent resolution (S. Con. Res. 75) relative to the reenrollment of S. 2120, to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division, which was considered and agreed to.

(See the above concurrent resolution when submitted by Mr. ANDERSON which appears under a separate heading.)

Mr. HUMPHREY (for himself, Mr. MURRAY, Mr. NEUBERGER, and Mr. PROXMIRE) submitted a concurrent resolution (S. Con. Res. 76) requesting the President to initiate comprehensive long-range plans for the acceleration of the natural-resources programs of existing Government agencies, which was referred to the Committee on Interior and Insular Affairs.

(See the above concurrent resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

EXTENSION OF GREETINGS TO FEDERAL LEGISLATURE OF THE WEST INDIES

Mr. AIKEN submitted the following concurrent resolution (S. Con. Res. 77), which was referred to the Committee on Foreign Relations:

Whereas it is the policy of the Government of the United States to favor the orderly evolution of peoples and nations to self-determination throughout the world; and

Whereas the people of the United States support the concept that other peoples should have an opportunity freely to choose their own destiny under circumstances which will enable them to assume and maintain an equal station among the nations of the world; and

Whereas the West Indies is comprised of those islands of Jamaica, Barbados, Trinidad and Tobago, Grenada, Dominica, St. Vincent, St. Lucia, Antigua, Barbuda, St. Christopher, Nevis and Anquilla, and Montserrat, having an area of more than 8,000 square miles and a population of over 3 million; and

Whereas the United Kingdom by order in Council, July 31, 1957, provided for the establishment of the West Indies (Federation); and

Whereas the Federal Legislature of the West Indies will be officially convened for the first time at Port of Spain, Trinidad, the West Indies, on April 22, 1958: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States extends its most cordial greetings to the Federal Legislature of the West Indies on this historic occasion, and expresses the earnest hope that the Federal Legislature and the people of the West Indies will enjoy continuing success in their new status, and reaffirms the friendship of the United States for the people of the West Indies.

AMENDMENT OF RULE RELATING TO STANDING COMMITTEES

Mr. MARTIN of Iowa submitted the following resolution (S. Res. 284), which was referred to the Committee on Rules and Administration:

Resolved, That rule XXV of the Standing Rules of the Senate (relating to standing committees) is amended by—

(1) striking out subparagraphs 10 through 13 in paragraph (h) of section (1);

(2) striking out subparagraphs 16 through 19 in paragraph (l) of section (1); and

(3) inserting in section (1) after paragraph (o) the following new paragraph:

"(p) Committee on Veterans' Affairs, to consist of nine Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Veterans' measures, generally.

"2. Pensions of all wars of the United States, general and special.

"3. Life insurance issued by the Government on account of service in the Armed Forces.

"4. Compenstion of veterans.

"5. Vocational rehabilitation and education of veterans.

"6. Veterans' hospitals, medical care, and treatment of veterans.

"7. Soldiers' and sailors' civil relief.

"8. Readjustment of servicemen to civil life."

SEC. 2. Effective for the remainder of the 85th Congress, section (4) of the Standing Rules of the Senate is amended to read as follows:

"(4) (a) Each Senator shall serve on 2 standing committees and no more; except that not to exceed 21 Senators of the majority party, and not to exceed 9 Senators of the minority party, who are members of the Committee on the District of Columbia, the Committee on Government Operations, the Committee on Post Office and Civil Service, or the Committee on Veterans' Affairs may serve on three standing committees and no more.

"(b) In the event that during the 85th Congress members of one party in the Senate are replaced by members of the other party, the 30 third-committee assignments shall in such event be distributed in accordance with the following table:

"Senate seats

Majority	Minority
48	48
49	47
50	46
51	45

3d-committee assignments

Majority	Minority
23	7
21	9
19	11
17	13".

SEC. 3. Effective at the beginning of the 86th Congress, section (4) of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"(4) Each Senator shall serve on 2 standing committees and no more, except that not to exceed 19 Senators of the majority party, and no to exceed 7 Senators of the minority party, who are members of the Committee on the District of Columbia, the Committee on Government Operations, the Committee on Post Office and Civil Service, or the Committee on Veterans' Affairs may serve on 3 standing committees and no more."

SEC. 4. The Committee on Veterans' Affairs is authorized and directed as promptly as feasible after its appointment and organization to confer with the Committee on Finance and the Committee on Labor and Public Welfare for the purpose of determining what disposition should be made of proposed legislation, messages, petitions, memorials, and other matters theretofore referred to the Committee on Finance and the Committee on Labor and Public Welfare during the 85th Congress which are within the jurisdiction of the Committee on Veterans' Affairs.

AMENDMENT OF FEDERAL WATER POLLUTION CONTROL ACT

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Water Pollution Control Act to increase one of the limitations on grants for construction from $250,000 to $500,000.

This is a companion of H. R. 11714, which was introduced last Thursday, March 27, by Representative BLATNIK, of Minnesota. I hope the introduction of this bill in the Senate today will expedite action.

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

The bill (S. 3576) to amend the Federal Water Pollution Control Act to increase one of the limitations on grants for construction from $250,000 to $500,000, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Public Works.

AID TO FARMERS AND NEEDY PERSONS

Mr. HILL. Mr. President, on behalf of myself, and the Senator from North Carolina [Mr. SCOTT], I introduce, for appropriate reference, a bill to aid both the farmers and the rapidly increasing number of needy persons.

The bill proposes to amend section 32 of the Customs or Tariff Act of 1935 which made a permanent allocation of 30 percent of customs receipts to the Department of Agriculture for removal of surplus agricultural commodities.

Since 1935, the section has been amended to permit distribution of surplus commodities to the school lunch program, to welfare institutions and to needy persons and families. Distribution to needy persons is made on the request of State governors through agencies designated by them. Another amendment has provided that any sums in the fund on June 30 of any year in excess of $300 million shall revert to the Treasury.

The amendment which the Senator from North Carolina and I are offering provides for two things:

First. It suspends the provision for funds to revert to the Treasury.

Second. It authorizes the Secretary to use funds in excess of any amounts now needed to remove surplus agricultural commodities for the purpose of buying other commodities which are in adequate supply to round out the diets of needy persons.

Two major reasons impel the Senator from North Carolina and me to introduce this proposed legislation.

First. The present Secretary of Agriculture is not taking advantage of his authority under section 32 with any degree of liberality on behalf of farmers, whose prices are depressed due to surpluses, or needy citizens who are without enough food for themselves and their families.

Second. It is already clear that, even if we extend the period of providing unemployment compensation, hundreds of thousands of unemployed will have their benefits exhausted before the economy can reabsorb them, and the food normally made available by the Department of Agriculture for the needy is inadequate in quantity and variety.

Mr. President, I would like to elaborate on these points briefly.

During agricultural appropriations hearings we have learned that the Department of Agriculture has had $514 million available under section 32 during the current fiscal year. Although we have large surplus stocks, although the numbers of needy have increased alarmingly, and although farm prices have remained around 81 to 82 percent of parity, the Secretary of Agriculture has spent or expects to obligate only $143 million for direct purchases, export payments and diversion payments to reduce available supplies of commodities.

The Department's budget estimates show that, despite the farm depression and despite the fact that more than 5 million workers are unemployed, the Secretary expects to have an unexpended balance of more than $364 million of section 32 funds on June 30 of this year.

I ask unanimous consent that the Department's statement of section 32 funds available and spent in fiscal year 1957, its estimates for the current fiscal year, and its budget of these funds for fiscal 1959, be printed at this point in the RECORD.

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

Project statement

Project	1957	1958 (estimated)	Increase or decrease	1959 (estimated)
1. Commodity program payments:				
(a) Direct purchases	$122,797,380	$143,483,000		$143,483,000
(b) Export payments	8,570,290			
(c) Diversion payments	6,196,409			
2. Surplus removal operating expenses	2,196,548	2,763,000		2,763,000
3. Marketing agreements and orders	1,436,280	1,660,000		1,660,000
4. Foreign market promotion	1,598,375	1,871,000		1,871,000
5. Import controls	183,364	223,000		223,000
Total obligations	142,978,646	150,000,000		150,000,000
Unobligated balance no longer available		64,175,859	+$13,674,141	77,850,000
Unobligated balance carried forward	297,948,852	300,000,000		300,000,000
Total available	440,927,498	514,175,859	+13,674,141	527,850,000
Recovery of prior year obligations	−609,557			
Unobligated balance brought forward	−244,701,053	−297,948,852	−2,051,148	−300,000,000
Subtotal	195,616,888	216,227,007	+11,622,993	227,850,000
Transferred to Department of the Interior pursuant to Public Law 1024, 84th Cong	+4,359,115	+4,651,151	−1,151	+4,650,000
Total appropriation or estimate	199,976,003	220,878,158	+11,621,842	232,500,000

Mr. HILL. Mr. President, this table shows that the Department will permit $64 million of these funds, the surplus over $300 million, to revert to the Treasury next June 30. In other words, the Department expects to continue to ignore the farmers' needs for higher prices and the needs of our less fortunate citizens for a better diet.

The administration has asked that the States undertake to extend unemployment compensation payments for 13 weeks with funds advanced by the Federal Government. Members of Congress

have proposed a 16-week extension financed by the Federal Government itself. I do not intend to argue the merits of these two proposals at this time. Unemployment insurance benefits are expiring now at a rate close to 150,000 a month. Whether the benefits are extended for 3 months in part of the States under the administration proposal, or 4 months throughout the Nation, under the alternative proposal, it appears inevitable that next August and September, after the extended benefits have expired, we still will have many hundreds of thousands of families without any income whatsoever.

The United States cannot afford to have surplus foodstuffs accumulating on farms or in storehouses, and causing great farm suffering, while millions of our citizens are poorly and inadequately fed.

It is difficult to understand why the Government would freeze available funds in the face of such a serious situation, instead of using those funds to transfer the food to needy people. The measure Senator SCOTT and I introduce is intended to instruct Secretary Benson to use section 32 funds for the purposes intended, to help the farmers and to feed the needy; to keep available approximately $64 million which would otherwise revert to the Treasury next July 1; and to demonstrate that the attitude of the Secretary of Agriculture toward our aged, our handicapped, and the innocent victims of the current recession is not the attitude of our Government.

Mr. President, the Senator from North Carolina and I cordially invite the cosponsorship of other Senators of this measure to help our farmers and our needy citizens. I ask unanimous consent that the bill be printed in the RECORD, and that it lie on the table through Wednesday, April 2, in order that other Senators may add their names as cosponsors.

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

The bill (S. 3577) to authorize the Secretary of Agriculture to provide varied commodities to schools and institutions and for needy persons and families out of funds appropriated for diversion of surplus agricultural commodities, introduced by Mr. HILL (for himself and Mr. SCOTT), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized upon the request of the Governor of any State to expend funds appropriated under section 32 of the act approved August 24, 1935 (7 U. S. C. 612c), as are not required for the performance of other purposes set forth in such section, to purchase and, as necessary, process agricultural commodities which are in adequate supply to provide a varied and balanced diet, for distribution by State agencies to schools and institutions, and directly to persons and families determined by appropriate State or local public welfare agencies to be in need.

SEC. 2. Any sum in excess of $300 million remaining on June 30, 1958, out of funds appropriated under section 32 of the act approved August 24, 1935 (7 U. S. C. 612c) shall, notwithstanding any other provision of law, remain available until expended for purchase and distribution of commodities in accordance with section 1 of this act, without regard to any division between storable and perishable commodities, but with regard to dietary needs of recipients.

PROHIBITION OF WITHHOLDING OR IMPOUNDMENT OF APPROPRIATIONS

Mr. MANSFIELD. Mr. President, on March 13 the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], called the attention of the Senate to the fact that the Bureau of the Budget had frozen some $22 million of the $32 million appropriated by Congress for the National Guard. At that time he indicated the National Guard installations in Texas which would have benefited, and because of his remarks on that occasion I looked into conditions in my own State and found that the same situation existed there. It is my belief that the same situation exists in practically all the States of the Union, if not all.

Mr. President, it is now a recognized fact that this country is in an economic slump and we are faced with a recession. Things are getting worse and something has to be done now to inject some new life into our economy. The Congress is at the present time prodding the administration into an "action now" program, and there are a number of programs now being considered in the House and Senate which will create new activity and employment—housing, public works, the highway program, to mention only a few.

It will take time to get some of the these anti-recession programs into operation. What we need is an immediate stimulant. As we all know, many times Congress authorizes and appropriates money for programs, but the Bureau of the Budget freezes part or all of the funds. The Bureau is in a position of regulating the flow of Federal funds. Now is the time when these frozen funds should be released and channeled into our economy.

The construction of National Guard armories and facilities is an area where we could increase activity, without Congressional action, because there are sufficent funds available.

Thirty-two million, three hundred thousand dollars in funds are available, authorized and appropriated for the building of National Guard armories, but the Bureau of the Budget has released only $10 million to participate in this Federal-State program in the current fiscal year. The remaining $22,300,000 has been frozen. If the entire amount of available funds were released it would provide a great stimulant in many small cities and communities throughout the Nation where National Guard units are active. Unfortunately the administration has eliminated this program from their budget requests for fiscal year 1959, and expects to use the available funds in future years. This money should be put into use now, not later.

As my colleagues in the Senate know, the construction of National Guard armories is based on Federal-State matching basis, 75 percent Federal moneys and at least 25 percent must be contributed by the State. The State must also provide the site.

The funds released for construction of National Guard armories are distributed among the States on the basis of overall need, and the project priority within each State is determined by the State adjutant general.

Under the current $10 million program, there is a $131,500 construction program under way in Montana. One-unit armories are being constructed in Hamilton and Whitefish, and a shop-hangar is being constructed at the municipal airport in Helena.

In July of last year the State of Montana indicated that they were prepared to go ahead with nine other projects if sufficient Federal matching funds had been made available. This suggested program for fiscal year 1958 would have required $481,500 in Federal funds. The estimates called for armories in Plentywood, Dillon, Chinook, and Harlowton and vehicle storage garages in Lewistown, Glasgow, Polson, Culbertson, and Thompson Falls.

I am sure that there are many other States that are willing to go ahead with their National Guard construction program but sufficient Federal matching funds have not been made available.

These small construction projects would be welcomed in these communities. They need every bit of activity they can get and as long as these funds are available I see absolutely no reason why they should be held up when they could be channeled in our economy with such ease and would do so much to give a shot in the arm to the economy.

It is, in my opinion, indefensible not to use money which is available in a time of such great need. We, in the Senate, should do all we can to persuade the Bureau of the Budget to release these funds.

I should like to point out to my colleagues that the freeze of funds for the National Guard by the administration—and I say "the administration" because the Budget Bureau is a part of it—is only the continuation of a pattern which has tended to weaken the constitutional power of the Congress "to raise and support armies" and "to make rules for the Government and regulations of the land and naval forces"—see article I, section 8.

I should like to recall to the Senate that under President Truman, the Congress voted funds for a 70-group Air Force, but the administration at that time impounded all funds so appropriated above the 48-group Air Force which the administration considered sufficient; that under President Eisenhower, the Congress 3 years ago voted an additional $40 million above the budget request to maintain the Marine Corps at its statutory legislative level of 3 combat-sized divisions and 3 air wings; and that these actions under both Democratic and Republican administrations, coupled with the present

freeze on National Guard funds present us with a constitutional problem which we will have to meet some day if we do not want to see our power steadily eroded and our constitutional position as a coequal branch of the Government reduced still further. The pattern is clear; the need for action is evident; and the responsibility to correct this situation lies with the Congress of the United States.

Mr. President, I am today introducing a companion bill to the measure introduced by Representative HÉBERT, of Louisiana, the father of this bill in the House, to prohibit the withholding or impounding of appropriations, and I send it to the desk for proper referral.

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

The bill (S. 3578) to prohibit the withholding or impoundment of appropriations, introduced by Mr. MANSFIELD, was received, read twice by its title, and referred to the Committee on Government Operations.

PREVENTION OF ALLOCATION OF PROCUREMENT CONTRACTS TO CERTAIN DESIGNATED GEOGRAPHICAL AREAS—AMENDMENT

Mr. SALTONSTALL. Mr. President, I submit an amendment, intended to be proposed by me to the bill (S. 5) to amend the Federal Property and Administrative Services Act of 1949, as amended, to prevent the allocation of procurement contracts to certain designated geographical areas, and for other purposes, which is now on the Senate Calendar. I request that this amendment be printed and lie on the table to be considered as an amendment in the nature of a substitute for S. 5. I would like also at this time to briefly explain the provisions of the bill.

In the past few months there has been some increase in our Nation's unemployment figures. Several communities across the country, including a number in my own State, have been affected and have been declared labor surplus areas. This has accentuated the desirability of allocating defense procurement contracts to labor surplus areas. The President has announced that every effort will be made to do this under existing laws and regulations.

The amendment I am offering would give the support of Congress to the President's program. It provides that to the maximum extent possible, without additional expense to the Government, procurement contracts for goods and services by the Defense Department shall be awarded to either small business concerns or concerns engaged in businesses located in labor surplus areas. This is designed to increase the small business and labor set-aside programs of the Defense Department, which are now within the discretionary responsibility of the Defense Department. My amendment merely requires for the period of 1 year that every contract executed by the Defense Department be examined to determine whether in fact a portion of it can be set aside for these purposes. Naturally, there will be many exceptions, such as the procurement of goods urgently needed for many of our advanced programs and research and development procurement. But the net effect of the amendment should be to help increase the share of defense purchases secured by small businesses and firms in labor-surplus areas.

The procedure followed in the set-aside program is a very simple one. Where a procurement program can be divided economically into two or more quantities, it is offered for bid in two sections: the basic quantity is awarded to the lowest bidder; the set-aside quantity is offered to the lowest bidder who is a small business, or who is in a labor surplus area, as the case may be. The lowest set-aside bidder may then take the reserved portion if he is willing to accept the price established on the unreserved quantity.

This amendment should not impose any additional administrative burden on the Department of Defense. A determination and review is required at the present time on every contract issued by the military services and the question of whether a portion of a contract can be placed in a labor surplus area or with a small-business firm is simply one additional factor to be considered; in many cases this factor is considered at the present time. This proposed legislation can also be administered without significant additional cost to the Government inasmuch as small business or labor surplus firms participating in set-aside procurements accept the contract at the lowest competitive price available to the Government. Nor should this proposed legislation in any way delay critical military programs. The bill leaves to the Secretary of Defense the responsibility for promulgating rules and regulations to carry these requirements into effect and he may, of course, exempt urgent military programs or those of a category not susceptible to set-aside procurement.

We have heard much criticism in recent months of the state of the Nation's economic health. I think it is important that those of us in the Federal Government concerned with the state of our Nation's economic health face up to these problems calmly and with confidence in our own Nation's abilities. Unemployment percentages are comparable at the present time to the winter of 1949–1950; we should bear in mind that despite temporary setbacks in our economy, we still have the healthiest and most prosperous nation in the world today.

There are ways in which we can properly aid distressed communities and industries without undertaking any massive changes in the programs of services of the Federal Government. I strongly feel that Congress should consider steps such as these in the first instance. I believe that this amendment would be one important way in which the Federal Government could quickly and effectively aid distressed areas in our Nation. It would provide an extension by Congress of the program already announced by the President a few weeks ago to accelerate the allocation of defense contracts to distressed areas. The President needs this support in his effort to aid these communities by increasing their participation in our defense effort.

I am aware of the number of administrative steps the administration, particularly the Department of Defense, has already taken to insure that our distressed areas receive their fair and proper share of defense contracts, and I am very much encouraged by this action. I offer this amendment, however, which, in my opinion, is infinitely preferable to the provisions of S. 5 as it now stands, to be considered as a substitute for that proposal in the event that it is called up for active consideration.

Not only would this be an important step in maintaining our Nation's economic health, but it would help to keep productive facilities and trained manpower available for use in any national emergency.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table, as requested by the Senator from Massachusetts.

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

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

By Mr. MARTIN of Pennsylvania:

Address delivered by Senator BENNETT entitled "Men and Money," and address delivered by him at 32d annual dinner of the Amen Corner, Pittsburgh, Pa.

By Mr. MARTIN of Iowa:

Results of his ninth annual questionnaire.

NOTICE OF HEARING ON NOMINATION OF WALTER HOWE, OF CONNECTICUT, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO CHILE

Mr. GREEN. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today, the nomination of Walter Howe, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Chile.

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

NOTICE OF CHANGED DATE FOR OPEN HEARING ON NOMINATION OF STAFF DIRECTOR FOR THE COMMISSION ON CIVIL RIGHTS

Mr. HENNINGS. Mr. President, the open hearing to be conducted by the Senate Judiciary Subcommittee on Constitutional Rights on the nomination of Gordon MacLean Tiffany, of New Hampshire, to be Staff Director for the Commission on Civil Rights, was originally scheduled for tomorrow morning. This hearing has been changed to Wednesday morning at 9:30 a. m., April 2, 1958, in room 104B, Senate Office Building,

Washington, D. C., at the request of one of the subcommittee members, the senior Senator from North Carolina [Mr. ERVIN].

ALASKAN STATEHOOD

Mr. CHURCH. Mr. President, today is the 31st day of March. The Easter recess, which is almost upon us, has traditionally marked the midpoint of the session.

In view of this fact, and the further fact that time is rapidly running out, and the additional fact that the Alaskan statehood bill has been reported favorably by the appropriate committees of both Houses, and has been awaiting action since the commencement of the session, I think it not inappropriate to remind my colleagues that the official flower of Alaska is the forget-me-not.

WILLIAM CHRISTOPHER HANDY

Mr. IVES. Mr. President, the man who wrote St. Louis Blues is dead. William Christopher Handy passed away last Friday, at the age of 84 years. He was the son of emancipated slaves, born in a log cabin in Alabama. He was often penniless, hungry, and cold.

But W. C. Handy rose to the heights. He brought a whole new dimension to American music. He set the pattern for hundreds of popular tunes. Through him, his race made a rich contribution to the culture of America.

The Negroes—

He once remarked wryly—

invented jazz, and the white folks made an industry out of it.

Another remark better epitomizes his philosophy. When he was in his eighties, and was talking one day with a group of schoolchildren, he patted his trumpet, and said:

Life is something like this trumpet. If you don't put anything in it, you don't get anything out.

W. C. Handy put a great deal into his life. The world is richer for it. He rose from poverty to worldwide fame solely on the strength of his talent and determination. He was a great human being. Mr. Handy was a friend of mine. I mourn his passing.

RETIREMENT OF LYNN CRANDALL, WATERMASTER OF THE SNAKE RIVER

Mr. CHURCH. Mr. President, the watermaster of the Snake River has announced his intention to retire from this vital post after 29 years of devoted service.

During three decades, Mr. Lynn Crandall has been a living symbol of integrity and objectivity, while controversy has swirled, like the turbulent waters of the Snake itself, over the proper development of those waters. In Idaho, water is lifeblood.

Lynn Crandall demonstrated the triumph of integrity and devotion to the finest ideals of public service. Although he was always outspoken in announcing his personal views, he never hesitated to tell any interested person the facts of any case, even when they ran counter to his personal preferences.

During my own maiden speech on this floor, I had occasion to refer to Lynn Crandall's testimony that there was sufficient water in the Snake River, even in the driest years, for the full use of the Hells Canyon Dam, even after allowances are made for all present and projected reclamation development operations upstream.

At this time I shall not refer to the merits of that argument; but I wish to repeat what I said then about Lynn Crandall:

Mr. President, a watermaster's job is to know the river. It is to know everything about the river, from the beginning of measurements of flow to date, as appraised in the light of all other available data on climate, rainfall, and snow accumulation in the uplands that feed the river. Mr. Lynn Crandall has been watermaster on the Snake River since 1930, and intimately connected with its problems since 1910. He knows the river as no other man does; he is universally loved and respected; and he is completely independent. My colleagues who have heard him testify in previous years, on this and other measures, have told me that no witness commanded greater confidence, based upon qualifications, experience, and demonstrated reliability.

Mr. President, Lynn Crandall's retirement plans and something of the story of his service to Idaho are discussed in a news story in the March 4 issue of the Idaho Falls Post-Register. I ask unanimous consent that that story be printed in the RECORD at the conclusion of these remarks. The story ends with the statement:

The Committee of Nine, water users advisory group who determine policy on the Snake River, Tuesday began thinking of a replacement for the veteran watermaster. The task, committeemen said, was an extraordinary big one.

Mr. President, the task of selecting a watermaster is always a big task. The task of replacing Lynn Crandall is monumental.

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

CRANDALL BEGINS LAST OF 29 WATER YEARS

Idaho's "Mr. Water" took a brief look up the Snake River's argument-eddied history Monday and prepared to measure out the stream's irrigation blood for the last time.

Lynn Crandall, district 36 watermaster and a water authority who has quietly made Idaho history, Tuesday began his 29th, and last, year as watermaster. Crandall confirmed Monday he will retire after reaching 70 later this year.

Urged to his feet by N. V. Sharp, chairman of the Snake River's Committee of Nine, at Monday's annual meeting of the water district here, Crandall replied:

CERTAIN EROSION

"I have enjoyed my association with the water users over the years. Of course, there is a certain amount of erosion and deterioration on a person handling water matters. There naturally have been many controversies and differences of opinion over water. I have probably been defendant in more lawsuits than anybody in Idaho. * * * The Snake River was here long before me and will be here long after I'm gone * * * I would now just like to be content to say to everyone—thanks for everything."

LOOKING FORWARD

Crandall, who was appointed watermaster for the southern Idaho water district in 1930, said he was looking forward to retirement, and a more quiet, peaceful life.

"I would like to have some time to hunt arrowheads at my leisure before it's too late," said the even-voiced, white-headed water leader, who owns one of the finest collections of Indian arrowheads which he himself has collected in long treks over the desert.

Crandall himself has been a point of controversy among water leaders at times. Forthright and calm in any of the legal storms that have swept up the river, Crandall stuck to his engineering guns and testified before Congress, that there was ample water in Snake River to allow construction of the hotly contested Hells Canyon Dam. A sensitive point of difference with the majority of water users who employed Crandall, it angered some. But like many another buffeting, he weathered it and water users continued to voice their confidence in his undoubted integrity by reelecting him to office.

Crandall often found himself in the middle of one of the most protracted water skirmishes that the Snake River has seen—the knitting of the many spiral fractures among water users over the Palisades Dam. Crandall is considered one of the principal architects of the Palisades Dam. He not only helped draft the bill but ironed out the many difficulties which arose in water exchange in the various affected reservoirs and other problems.

EXPERT WITNESS

When Idaho, or other Western States as well, wanted experienced counseling on challenging water matters, Crandall was called in to evaluate the problem. He has appeared as expert witness in many hearings and suits involving strategic water issues.

Crandall came to Idaho almost immediately after graduating from Cornell University, N. Y., in engineering. He accepted a job with the United States Geological Survey in Salt Lake City in 1910. He was later transferred to this agency's Boise office in 1911. In 1916, the North Side project near Twin Falls needed Crandall's unusual understanding of water affairs and he was hired by the project as chief hydrographer. As he has many times in his life, he landed here in the middle of a controversy between the construction company of the project and water users over water losses. He brought order to the dispute with his characteristically clinical findings.

STUDIED WATER PROGRAM

In 1920, he was hired as a water specialist for the Federal court to study the water program in the Big Lost River area and was stationed at Mackay. During this period, he was called many times as an expert witness on water controversy involving the Mackay Dam and reported water losses there. During this period, too, he performed general engineering work, including surveying work.

SUCCEEDED BALDWIN

In 1930, he was recommended to become watermaster for District No. 36, which embraces the Snake River from its source to King's Hill in Southwest Idaho. He succeeded the late G. C. Baldwin, who had been watermaster for 11 years, partly during the critical period when the Jackson Lake and American Falls Reservoirs were built. Fighting had been bitter between upper river and lower river interests over water, especially during lean water years. Although the problem was somewhat moderated when Crandall took over, he inherited several autonomy-minded districts. Precious water was

always a contest in the West and the issue was particularly keen during the lean water years of the 1930's. It was his knowledgeable matter-of-fact steerage during these years of crop failures that first won for him the allegiance of the water users. Water rights was Crandall's sacred trust, and he administered them effectively. Water cutoff to a water-hungry farmer could mean real privation in those days, but while the farmer may have gone up the ditch in high tempest to batter a headgate—or an intervening head—Crandall, the protector, and the administrator of the rights, was quickly reelected each year. He went with the river records he and his staff assiduously kept—and there was no arguing with Crandall's preciseness, his extraordinary intimacy with the Snake River, and with his abiding fairness.

Although his deep, monotone voice was crisp, and his manner impressively matter of fact, Crandall has been a warm counselor to young and old, from every walk of life. He has started many a youth on a project by generously sharing coins, arrowheads, or stamps from his fine collections. A man of learning, he is widely read, particularly in history and anthropology, and serves on the Idaho Falls City Library Board.

The Committee of Nine, water users advisory group who determine policy on the Snake River, Tuesday, began thinking of a replacement for the veteran watermaster. The task, committeemen said, was an extraordinarily big one.

THE IMPORTANCE OF LATIN AMERICA

Mr. SMATHERS. Mr. President, yesterday I read with great interest in the Washington Evening Star an article which was entitled "Top United States Envoys To Take New Look at Latin Ties." The article described the trip which the eminent Vice President, who now occupies the chair, is soon to take to Latin America, and also the trip which is planned for Dr. Milton Eisenhower, the President's brother. The article also indicated that possibly Secretary of State Dulles would finally make a trip to Brazil.

I think these are hopeful signs. I wish to congratulate the Vice President and Dr. Eisenhower, and certainly the Secretary of State, for this new appreciation of the importance of Latin America to the United States.

I have frequently occupied the time of the Senate on the floor, and have bored many of my fellow Senators, by talking of the importance of Latin America to the United States. I am delighted the Vice President, who has already made one trip there, is to go there again; but I am particularly impressed and encouraged by the fact that the Secretary of State has now seen fit to encourage others to make the trip.

We know that Latin America is the fastest growing area in the world. The countries of that area contain rich resources. We have paid little attention to them in the past. We have received support from those nations in times of peace and war. They mean much to us, politically and socially, as well as economically. The time is long overdue when we should be paying more attention to them.

I am much encouraged by the article which I read. I ask unanimous consent that it be printed in the body of the RECORD at this point in my remarks.

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

TOP UNITED STATES ENVOYS TO TAKE NEW LOOK AT LATIN TIES

A top level stocktaking of the state of United States relations with Latin America apparently is in the making.

The review, to be carried out over the next few months, could lead to a reassessment of United States economic and political policies toward the 20 nations to the South.

It apparently is President Eisenhower's answer both to new Russian threats of economic—and political—penetration in Latin America and to Congressional criticism that not enough attention is paid to that vital area.

STEPS ARE LISTED

The stocktaking will be done by:

1. Vice President RICHARD M. NIXON, who last week announced that, at the President's request, he would make an 18-day swing through 8 South American nations, beginning April 26. The countries to be visited are Uruguay, Argentina, Paraguay, Bolivia, Peru, Ecuador, Colombia, and Venezuela.

2. Dr. Milton S. Eisenhower, brother of the President, who, as the President's personal representative, will make a good will tour of six Central American nations in June, according to a White House announcement yesterday.

3. Secretary of State Dulles, who is reported to be considering personal visits to individual countries, Brazil—omitted from Mr. NIXON's tour because of a 1956 visit—is regarded as one of likeliest possibilities for such a stop.

4. President Eisenhower himself, who this week lunched with Costa Rican President-elect Mario Echandi, and who is scheduled to receive President Carlos Ibandez del Campo, of Chile, on a state visit in late April and early May.

OTHER TRIP RECALLED

The White House, in announcing Dr. Eisenhower's tour today, described it only as a good will trip.

But it immediately was recalled that Dr. Eisenhower, president of Johns Hopkins University, in 1953 made a 30-day tour of the 10 South American nations, and later presented his brother with a detailed report.

The report made concrete recommendations on United States policy, some of which were acted upon later.

The announcement of the trips of the Vice President and Dr. Eisenhower follow closely on Red trade overtures to a number of South American nations with which Russia does not now have diplomatic relations.

The Soviets have been offering to buy Brazilian and Columbian coffee, Chilean copper, and have, in fact, bought considerable quantities of Cuban sugar and Uruguayan wool. Argentina recently sent an economic mission behind the Iron Curtain to see what it could purchase there.

United States economic experts also are known to be concerned over the effects on shaky Latin American economies of the recent declines in the prices of some minerals, particularly copper.

Mr. CHAVEZ. Mr. President, I wish to join in the statement the Senator from Florida made, in which he referred to the forthcoming visit of the Vice President to Latin America. It is about time for this country to be paying a little attention to an area where our interests lie. I am glad the Vice President of the United States is to visit Latin America. I feel that his purpose is in keeping with what we have in mind—that is, having good relations with and interest in the people of the countries of Latin America.

We worry about Europe. We worry about Asia. For thousands of years the people of those areas have been fighting for the pieces of real estate there. Our interests from now on will lie in the area between Hudson Bay and Patagonia. I think any efforts made in the direction of furthering our interests with Latin America are to be commended, whether they be through visits by the Vice President or others. I am glad it is the Vice President in this instance who is to go to Latin America. I know such a visit will meet with the approval of the people of Latin America. I shall not be going officially, but as soon as Congress adjourns I intend to go to Latin America on my own initiative. I can get along with the people of Latin America very well. I believe the Department of State should pay a little more attention to those countries, outside of giving them lollypops, in the interest of good will and getting along with Latin America.

THIS RECESSION—AND PAST UNITED STATES EXPERIENCE

Mr. SMITH of New Jersey. Mr. President, one of the most informative articles which has appeared to date in reference to our economic difficulties was contained in the New York Times of Sunday, March 23, News in Review section. The article written by Edwin L. Dale, Jr., and entitled "This Recession and Past United States Experience," analyzes the current recession within the perspective of our recent economic history.

It seems to me that this is a much needed analysis because of the changing nature of our economic problems and, as a consequence of such change, the need for intelligent policies based on today's problems, rather than an automatic casting back for the policies of yesteryear, which might not apply to our current problems.

I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

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

THIS RECESSION AND PAST UNITED STATES EXPERIENCE—BUILT-IN STABILIZERS VARY PATTERN FROM THAT OF GREAT DEPRESSION

(By Edwin L. Dale, Jr.)

WASHINGTON, March 22.—Private, capitalist economies have business slumps. There have been about 24 in the last 100 years in the United States. The business cycle appears to be a fact of life that probably cannot be escaped.

In comparing the 1957–58 slump with its predecessors—chiefly the great crash that began in 1929–30 and the two previous postwar slumps of 1948–49 and 1953–54—three questions are in order:

Has the pace of decline to date been materially different?

Was the condition of the economy before the slump materially different?

What has the Government done about the slumps in the past and how well did it work?

The pace of decline depends in part on the beginning date selected and the measurements used. But, assuming the current recession began last July, it can be said in general that the pace of the 1957–58 slump has been a little steeper for its first 7 months than the other two postwar recessions, certainly stiffer than 1953–54, but that all three have been less steep than in 1929–30.

KEY INDEX

For example, the key index of overall industrial production fell 8 to 9 percent in the first two postwar slumps and 9.7 percent this time during the first 7 months, but it fell 13.1 percent in 1929–30. Nonfarm employment was off 2.3 percent in 1953–54, 3.3 percent in 1948–49, 3.1 percent this time and 5.4 percent in the same period of the great crash.

There is one other significant difference, related not only to the pace of the decline, *but to major* changes in the economy since the great depression. This is the movement in personal incomes.

In 1929–30, personal income fell off about 8 percent in the first 7 months of the slump. This meant a sharp and severe drop in purchasing power.

Since that time there have been added unemployment compensation, other social security payments affecting mainly the aged, and farm price supports. These income cushions, otherwise known as built-in stabilizers, have worked beautifully in the postwar slumps.

Compared with the 8 percent decline in personal income in 1929–30, the decline in 1948–49's first 7 months was 3.1 percent, while in 1953–54 it was 1.9 percent and 1.3 percent in 1957–58. This means that purchasing power in each postwar slump has fallen far less than production and considerably less than employment.

If the differences in the pace of decline between prewar and postwar as notable, the differences in the condition of the economy before the slumps are even more important.

BASIC CONDITION

One basic condition applied to all four: There was an inflation of one kind or another preceding the slump. In 1929, it was not primarily a consumer price inflation but a specialized inflation in stocks, real estate and some commodities. It was still an inflation, however, according to most modern analysis.

But it is the differences that count. All three postwar slumps began with these differences from 1929:

(1) There was no preceding runaway stock market boom. New legislation made some of the worst features of the 1929 boom impossible. The amount of stock market credit was regulated and totaled only one-fifth or less of the amount in 1929.

(2) The banks had Federal deposit insurance. This virtually barred runs on banks and the kind of financial collapse that characterized the great depression.

(3) Housing credit was much sounder. The concept of the amortized mortgage loan, insured by the Government in many cases, had replaced the old short-term loan payable in full on maturity.

(4) Federal spending made up a far larger part of the total economy. In 1929 the Federal budget came to only about 3 percent of the gross national product, but today it is about 18 percent. This is spending that, if anything, automatically increases in slumps and certainly does not dry up.

(5) Incomes were more evenly distributed.

All of these changes are, of course, in addition to the aforementioned built-in stabilizers.

How about differences and similarities at the outset of each of the three postwar slumps?

They all had been preceded by inflation. They all had been preceded by what was probably excessive buildup in inventories. But otherwise there were differences.

The precondition for the 1948–49 slump was essentially the huge surge of consumer buying after World War II, accompanied by rapid consumer price inflation. The 1953–54 slump was preceded by the Korean war and a big surge of Government spending—spending that began falling in late 1953 and helped trigger the slump.

Before the present slump, the key features of the economy were probably the huge bulge in business investment in plant and equipment and only slightly smaller bulge in consumer installment credit.

In effect, excesses seem to breed slumps. One of the main reasons for extra concern about the present slump is that the main excess was in plant and equipment spending. The fear is that this major item in overall demand will be sliding downward all through 1958 and well into 1959, on the ground that industrial capacity has fully caught up with consumer and other demands.

INADVERTENT MEASURES

That leads to Government remedies, and the thinking behind them. Surprisingly, it turns out that the major Government measures in each of the postwar slumps before this one, aside from the aforementioned remedies already built into the system, were taken almost inadvertently. In 1929, of course, economic thought was much different from today's, and the Government did not feel called on to act early in the game.

President Herbert Hoover seems, in the light of history, to have vacillated between a belief that things would soon improve and a belief that something should be done. But there is little doubt that his underlying belief was that radical Government measures—necessarily involving a deficit in the budget—would be unsound and would do more harm than good.

However, ironically, he did cut taxes in November 1929. The trouble was that taxes were already so low that the saving for a man earning, say $5,000 a year was less than $10 a year. The President also proposed to Congress and got some increase in Government public-works programs.

In the 1948–49 slump the built-in stabilizers performed admirably. Outside of that, the Government took the familiar measures of easing credit and trying to spur housing by increasing Government purchases of mortgages. But the big help seems to have come from two actions unrelated to the slump.

One was a tax cut enacted by the Republican Congress over President Harry S. Truman's veto in 1948, well before the slump began. The other was the beginning of the Marshall plan, in which 1949 was the first big-spending year. This created a big demand for American goods to be shipped to Europe.

EASING OF CREDIT

In 1953–54, there was also a major easing of credit and the array of housing measures. This time the credit-easing probably made some difference, because it followed a period of rather tight money, unlike 1948–49. Other comparatively minor measures were taken, including an effort—not altogether successful—to speed up Government spending on some programs.

But the big item in that slump was a $7.5 billion tax cut—$5 billion of which had been already written into law 2 years before. All the administration had to do was let this big tax cut go into effect. It did so, despite the fiscal orthodoxy of the then Secretary of the Treasury, George M. Humphrey, because Government spending was heading downward at the time following the Korean war, and the tax cut did not increase the deficit much.

This postwar experience is an illustration of why the present situation is such a difficult one. True, the gods have once again provided a lucky break—the postsputnik increase in defense spending.

But there is real doubt that this will be enough. Hence the widespread belief that this recession is providing much the most severe test of whether modern American Governments can and will take the right actions to cure successfully a serious slump.

ST. ALBAN'S SCHOOL FOR BOYS

Mr. SMITH of New Jersey. Mr. President, St. Alban's School for Boys, at the Washington Protestant Episcopal Cathedral, has made many distinguished contributions to secondary education during its 50-year history. Among them is the symposium on science and secondary education held on Sunday, March 23, as the first of a series marking the school's anniversary.

Speeches were delivered at the symposium by Dr. James R. Killian, Jr., president of Massachusetts Institute of Technology, and special assistant to President Eisenhower for science and technology; Dr. Merle Tuve, of the Carnegie Institute; and Rear Adm. Hyman G. Rickover, Chief of the AEC Naval Reactors Branch. The New York Times, which itself has made important contributions to increased understanding of educational problems, judged their remarks worthy of page 1, column 1 coverage.

All three speakers stressed the top-priority importance of strengthening our educational system if we are to meet the demands of the times. In their view, our schools most urgently need to place greater emphasis on intellectual achievement, provide more opportunity for gifted students, and improve the quality of teaching, particularly in the sciences.

Federal action to meet these needs is provided in both S. 3163, the administration education bill which I introduced, and S. 3187, introduced by the Senator from Alabama [Mr. HILL]. I am hopeful that a committee bill incorporating the best features of both measures will be reported to the Senate in the near future.

The speeches of Dr. Killian, Dr. Tuve, and Admiral Rickover make a forceful and timely case for strengthening quality in education. For this reason, I ask unanimous consent that their talks, as excerpted in the New York Times of Monday, March 24, be printed in the body of the RECORD, at this point in my remarks.

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

KILLIAN'S TALK

In speaking as an ardent advocate of better science teaching and greater emphasis on science in United States schools, I must start with some personal observations about education.

Our overriding objective today must be to elevate standards of performance and enlarge the intellectual content of the secondary school program. There needs to be a greater interest in matters of the mind, a weeding out of the trivial, peripheral, narrowly vocational subjects and a more general acceptance by parents, teachers and students of the importance of intellectual qualities and high standards in all parts of the secondary-school program.

If we are to have better science education, we must have better overall education and if we are to have better education, we must have a shift in values so that intellectual interests and performance are not played down and socially denigrated. We must cultivate in all of our education a distaste for the take-it-easy and anti-intellectual attitudes and a positive taste for what is excellent in intellect and spirit.

These same observations can be made about college education. The emphasis on quality must run through the whole spectrum of education. We need to bring down into the undergraduate college program more of the spirit of independent and creative work that now marks our good graduate schools, and we need to bring down into the high schools more of the depth and the sense of individual responsibility for intellectual effort that is to be found in college.

In both secondary school and college we must provide both opportunity and incentive for high talent, especially in the secondary school, and there must be an unremitting search and enlarged opportunity for talent and intellectual giftedness.

In the development of our public school system, we have concentrated in recent years on making it universally available and of the greatest help to the greatest number. The next phase—the next great mission of our educational system—should be to introduce more extensively into our system of mass education the opportunities and means for differentiation in order to permit the fullest encouragement and development of our high talent.

In emphasizing the importance of intensifying the cultivation of talent and the raising of standards as objectives of top priority, I do not mean to suggest that our great secondary school system should cease to provide effectively for all of the varying needs of your young.

Diversity of needs noted

Our schools must be designed to help all children, and the needs of children of different ability, different background and different aspirations must constantly be kept in mind. The diversity of educational needs in America is very great.

With the expression of these general views on education, let me now turn more specifically to the problem of priority for science teaching and science education. During the last quarter century our schools have gone through a phase during which languages, mathematics and science have been far too generally neglected or ostracized. I think it futile to try to assess blame for this; it has occurred in part because the attitudes and values of the American people resulted in a low value being placed on these subjects. But clearly the time has come for a redress of this imbalance.

The needs of the Nation today require that these subjects be restored to a priority at least as high as other principal subjects in the high school curriculum and that they be taught, not superficially, but thoroughly and well—and imaginatively. It is not that we want to make scientists of all our young people; far from it. Rather, it is that science courses have come to be taught much more poorly in many schools than have the humanities and social sciences and they need to be brought up to par.

Opportunity is seen

Up until now, we have done little—save in our best schools where science is probably taught as well as anywhere in the world. We have been blocked by the baseless fear that if we strengthen our science education, we might run the risk of distorting the emphasis on other subjects. I hold that we have extraordinary opportunity and unique incentive now to strengthen science education and that in doing so it can serve to strengthen other parts of the curriculum. Science can be the flagship in leading to a deeping and strengthening of the high school curriculum. It also may well do much good by serving as a sorting-out factor of excellence, since scientific courses are likely to give better mental discipline and a better test of student mettle than descriptive courses.

In the longer view, it is well also to remember that it is usually easier to make a good businessman out of a scientist than it is to make a good scientist out of a businessman.

Mucker pose fought

And now let me restate and recapitulate my remarks:

First, we need to fight the mucker pose that it is smart to be anti-intellectual. We must set greater store by intellectual achievement and the sense of the first rate in all education.

Next, as we seek to provide better for the intellectually gifted and to emphasize quality more, we must remember that our public school system gains strength through its diversity and by ministering to the varying needs of all our young people. But it must avoid prodigality and sternly put first things first.

Third, we must shore up the sagging quality of our science teaching and the outdated content of science courses.

Search for beauty

Fourth, we need to think of science not as materialistic magic, but as an exciting, adventuresome, creative activity of the mind. Our view of science has been too much encumbered with emphasis on its utility, which is great, and too little illuminated by its search for beauty and understanding, which are basically humanitarian objectives.

Fifth, science and the humanities should "make up" and again be on speaking terms with each other. We need them both and each needs to crossbreed with the other.

Sixth, we need more scientific literacy among all our people. In a century of science it is dangerous and illiberal for the nonscientist to be ignorant, sometimes boastfully ignorant, of science.

And finally, we need to cultivate great engineers and engineering as well as great scientists and science.

DR. TUVE'S SPEECH

The big problems facing us as a nation and facing all mankind are not technical problems requiring more and better engineers and technical men, but the problems of guiding and controlling technology. We need men who are intelligent and informed about science and technology to assess and control the ways we use our technical strengths. This obviously is the oustanding problem of today, not any vague shortage of scientists and engineers.

Our coming lawyers and doctors and manufacturers and journalists and priests and legislators must all have some sound background for the judgments they will make and the actions they will take concerning the goals and uses of our technology.

If as a nation we are to meet successfully todays' challenges to many of the really basic elements of our culture, the attacks on the Greek-Hebrew-Christian foundations of all our Western civilization, we must first of all raise our youngsters to know what they stand for, to recognize and cherish the simple and basic things amid all the seeming complexities of the modern world, to have faith and to act on it. Then after this we must equip them with the tools and the techniques of power.

Not just more scientists

Knowledge is power and technology is power—but the calm spirtual strength of the man who knows what he stands for, whose value-system is in the very fibre of his being, is the man who will successfully and constructively direct the uses of knowledge and the goals of technology. These men are the men we need, not just more scientists and engineers.

If we want more and better technical men, this is the way to get them. We must call for a higher level of overall student achievement, not just better courses in mathematics and science. And we should have no false notions about equality and democracy when it comes to helping our best students. They are really worth special attention in community. About half of our leaders come from the top few percent. It is the equal opportunity and equal invitation to be in this top-level group that constitutes democracy. The absence of a toplevel group surely is a false notion of democracy.

Better teachers stressed

The key to this whole program of more high quality students is more high quality teachers. We have many fine teachers in our secondary schools and many devoted individuals with a high sense of duty and tremendous energy. But we need more teachers who are scholars, men who are recognized as identified with their special subjects of study and accepted as distinguished professorial members of the local community.

We have allowed the teachers of our high schools to drop from their old position of relatively high esteem in our communities to the workingman's level of grocery clerks or filling station attendants or countless other service people in our present social fabrics. This has been a community mistake and it has lowered the standards of secondary school work in all respects.

It is exceedingly difficult nowadays to attract into teaching any student who has completed a good, solid, college major in physics or chemistry or mathematics, because there are so many interesting and attractive jobs elsewhere, with good pay, and also because most States and local communities have laws which require all prospective teachers to have taken many semester hours of educational psychology, practice teaching, and similar subjects.

If we really want to do something about improving secondary education here is one direct and simple thing that will surely have great effect in strengthening our schools: We can go after our local school boards and our own State legislatures to change the laws which now restrict teacher certification to the products of the courses in education.

There are two other actions local groups can take in any community which also will help greatly to improve secondary education.

The idea that our secondary school teachers should be working with students 5 or 6 hours a day for 5 days a week, plus some late afternoon and many evenings on PTA and other school assignments, denies these teachers any status as scholars. A practical action for a community group is to insist that the professional teacher be given some time to himself for his own scholarship. We can hire clerks and stenographers and specialists in education to handle these countless chores and public relations activities. Make him a professional scholar again, as he once was, and a position of high respect in the community will be his again.

The other action relates to salaries; this is important but not as vital as the first two points I have made. There should be provision for much greater spread of salaries, and a significant part of this spread should be for merit in teaching and scholarship, not only for longevity and for credits and more degrees from schools of education. We must pay our best teachers significantly higher salaries.

RICKOVER'S ADDRESS

Formal school education was not as vitally needed in American pioneer society as it is in 20th-century America. The degree of ignorance which a democracy can tolerate

varies in inverse ratio to the advance of the Nation toward higher cultural and scientific levels.

Our elementary and secondary education must, thus, provide first, for the average and below average student, a sufficiently broad terminal education to get him into a modern technological society; and second, for the talented student, it must provide a solid underpinning for subsequent professional education. Neither of these two objectives is achieved in the majority of American public school systems.

We are reaping the consequences of the destruction of traditional education by the Dewey-Kilpatrick experimentalist philosophy.

Dewey's desire to alter curricula so as to teach subjects which will be of use to the child in life can be accepted only if we interpret the term "use" in its broadest sense.

Many subjects dropped

Unfortunately, his ideas have led to elimination of many academic subjects on the ground that they would not be useful in life, and to substitution of trivial, recreational and vocational subjects alleged to be of more practical value.

The student thus receives neither intellectual training nor the factual knowledge which will help him to understand the world he lives in, nor to make well-reasoned decisions in his private life or as a responsible citizen in a modern democracy. He is instead handed a bag of know-how tricks; he is helped to become a pleasant, nicely mannered young person, able to get along with whatever group he joins.

Intellectual training can be combined with home training only when schools are residential, as are the famed English public schools. In a short school day there is not enough time to do both. I suggest we turn back to the home what is properly the function of the home and permit the public schools to concentrate on what is properly their function—the education of young minds.

I have made some calculations to compare the curriculums of the Dutch secondary schools with our own 6-year junior-senior high schools. The Dutch school day is 10 percent longer than ours; the school week lasts 6 days, or 20 percent longer; the school year lasts 240 days or 33 percent longer. The Dutch class period is 50 minutes and the homework required is a minimum of 4 hours daily. Further, no subjects but academic ones are taught, except gym, art, and music.

Europe demands more

Europe has always demanded more of her children than we of ours and for a very good reason. To attain a high standard of living, given a similar level of technology, a country must either have a favorable ratio of people to land and resources, or its people must work harder and more intelligently—they must acquire more competence.

In other words, poverty of land and of natural resources can be offset to a degree by better development of human resources. Ours has been the classical example of a high standard of living based primarily on favorable ratio of people to land but in the last 180 years we have wasted much of our natural wealth and multiplied our population more than 40 times.

Though our ratio of people to land is still much better than that of Europe, it worsens each year and the day is not too far off when we shall be no better off in that respect than Europe. We must not let ourselves be impressed by total acreage figures. There is much desert and semiarid land in our West whereas Europe has carefully preserved its land and forests and has no deserts or arid lands.

As we approach European conditions, we may find that we shall have to make a choice: educate our children better or downgrade our standard of living. We still have a margin of safety but it is none too soon for all of us to think this matter over carefully so that we may express our wishes clearly and in the proper democratic way to those who run our schools.

Few of us have been aware of our worsening situation, for thus far science has been able to keep up with diminishing resources and a population growing three times as fast as Western Europe's. If we develop all our human resources, we shall still be able to insure a high standard of living to our children and grandchildren. But it cannot be done with 180-day school years, driver-training courses, and print shops in high school.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

Mr. SMITH of New Jersey. Mr. President, on March 27 the National Conference on International Trade Policy held an all-day meeting in Washington at which some 128 organizations supporting extension of the Reciprocal Trade Agreements Act were represented. These groups represented industry, agriculture, labor, and consumers.

In a bipartisan atmosphere, both President Eisenhower and Mr. Adlai Stevenson made stirring pleas for a liberal trade policy.

Both speakers stressed two essential points: First, that in an age of interdependence, trade policy cannot be divorced from foreign policy and from the free world's struggle against communism; and, Second, that the maintenance of a strong and vigorous trade relationship among free world nations means greater prosperity and economic develpment for all. It means, in short, both jobs and security. It also means that the ability to export depends in large part on the capacity and willingness to import.

However, extension of the act, as the President has emphasized, will mean continuation of the policy of providing relief in cases where injury to a domestic industry, because of trade concessions, is established under the law.

Mr. President, I ask unanimous consent that copies of the addresses by President Eisenhower and Mr. Stevenson as published in the New York Times of March 28, be printed in the body of the RECORD at the conclusion of my remarks.

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

(WASHINGTON, March 27.—Following are the texts of addresses today at the National Conference on International Trade Policy by President Eisenhower and Adlai E. Stevenson.)

EISENHOWER'S SPEECH

I am honored to join tonight in this great gathering of citizens from all parts of the Nation. You have come here to demonstrate the strength of your support for an enlightened trade policy that promotes jobs at home and peace in the world.

My grateful thanks go to you for this magnificent bipartisan citizen effort to rouse Americans to the great stake all of us have in widening and deepening the channels of world trade.

This cause that draws us together tonight does not readily command the headlines. Like so many other good things, the benefits of trade are taken for granted and are assumed somehow to be a normal part of life. On the other hand, the special domestic problems to which world trade sometimes give rise, in terms of impact on particular industries, are real and identifiable and demanding of action.

You and I believe firmly that our reciprocal-trade program is good for America and we have an obligation to our fellow citizens to set forth our views fairly and convincingly. If we do so, I am confident that the countrywide support of this program will be reflected in Congress. That is where fateful decisions about its whole future will shortly be taken.

We know that the American people will always do what they think is important and necessary to do. Our task is to make sure the importance of expanding trade is understood.

In searching for what is best for 173 million Americans, we must recognize that questions concerning reciprocal trade have been raised by conscientious Members of Congress and others deeply concerned with the economic welfare of their particular communities. On Capitol Hill the most potent arguments regarding trade legislation are likely to be its effect on the industries of specific States and districts.

So, in the effort to dispel honest doubts about the reciprocal-trade legislation's great value to the entire Nation, we should first hammer home the fact that safeguards in the law are being strengthened to cope with the uneven impact of import competition.

Case-by-case basis

We should next point out that the authority to make trade concessions in the national interest is permissive, not mandatory. It applies to individual products, and will be used only on a case-by-case basis, after full review of all the factors involved.

Likewise, we should present this commonsense arithmetic: The defeat of the trade agreements program would destroy far more jobs and job opportunities in agriculture, manufacturing and transportation than it could possibly preserve.

We should make everyone aware of the deadly peril impending if—through blindness—America and the free world are robbed of adequate economic defense against Communist penetration.

I doubt that anyone would favor tearing down our trade program were he to have on his conscience full knowledge of such grave hazards.

We can be heartened because in districts, States and Nation a growing majority is finding that far stronger reasons can be advanced for an effective extension of the trade agreements legislation than the excuses made for rejecting or crippling it.

Both job security and national security demand an enlightened trade policy. So compelling and justifiable are these individual and collective reasons than even previous opponents of reciprocal trade should see the need of changing from their former position and so measure up to this inescapable duty of our day.

An informed and observant public would disapprove of anyone who insisted on clinging to old ideas which cannot solve crucial new problems. But it would welcome and praise everyone in public or private life for changing his mind in the best interests of 173 million Americans.

Now let me be specific.

Our reciprocal trade program is good for America. It strengthens our own economy. It strengthens the economy of the free world. It reinforces our security against external danger.

The United States is the greatest trading Nation. Last year the world's export trade amounted to about $100 billion. Our share was a fifth of that enormous total. This vast flow of commerce to and from our shores is vital to our economy.

Consider these facts.

World trade makes jobs for at least 4½ million American workers. At a time of slack in the economy like the present these jobs should not be placed in jeopardy by crippling our trade program. The presence here tonight of representatives of the great labor organizations of America underscores this point.

"Such sample facts"

Export trade is big, important business. It was greater than all consumer purchases of furniture and household equipment. It was greater than all residential nonfarm building, or as great as the sale of all steel mill products in this country. Such sample facts as these indicate why the greater business organizations of America are represented here tonight.

We shipped abroad last year, for example, over a tenth of our machine-tool production, almost a fifth of our motor trucks and coaches, and over a quarter of our construction and mining equipment. And that is why so many manufacturers—small and large—are represented here tonight.

Foreign markets provide an indispensable outlet for our farm programs, over half of our wheat, cotton and rice went abroad. So did over a third of our soybean production, a quarter of our tobacco and a fifth of our lard output. Those and other farm exports benefited not only farmers. The movement required financing, inland transportation, storage and ocean transportation for 36 million tons of cargo. That was enough farm products to fill 800,000 freight cars and 3,600 cargo ships. Those activities mean jobs—lots of jobs.

And for those who may wonder what the connection is between these farm exports and our reciprocal trade program let me cite this fact: Nearly four-fifths of these record farm exports went to countries with which we have agreements under that program. Loss of income from overseas markets would deal a hard blow to farm families. Such facts as these indicate why the great farm organizations of our country are represented here tonight.

This brief review of our huge export business evidences an inescapable truth: Trade is good for all America—for its workers, its businessmen and its farmers.

Now what of the other side of the trade coin—imports?

In discussions of trade problems, some people seem to be for exports and against imports. They apparently assume that we can continue to sell even though we refuse to buy. But our farmers, workers and businessmen cannot use drachmas, rupees, lira, or other foreign currencies. Consequently they cannot accept those currencies for the goods they ship abroad. They can accept only dollars. In the same way, if other nations are to buy our exports to them they must get dollars earned by their exports to us. This means giving them an opportunity to sell in the American market on a reasonable basis.

Our import needs are great—$13 billion last year. We obtained from abroad most of our supplies of tin, mica, asbestos, platinum, nickel and newsprint. Part of our requirements for iron ore, petroleum, copper, wool, bauxite, burlap and other materials must be obtained outside this country. Such imports keep our factory wheels turning and assembly line moving for the national defense.

Center of controversy

We also import foods and manufactured goods. They are not as essential to us as are industrial materials. Nevertheless, Americans want them. They are entitled to a reasonable chance to buy them. Selling customers what they want is the way American stores keep in business. And that is why representatives of consumer groups are here tonight.

Since imports of manufactured goods are the center of much of the trade controversy, we should keep one fact clearly in mind: Last year we imported $2¾ billion of manufactured goods and exported $10½ billion—nearly four times as much. Of course, we want, under the law, to accord manufacturing industries relief from demonstrated injury or the threat of injury due to imports.

But if we seek to do this by ill-advised measures such as broad and rigid systems of quotas, we should consider the consequences upon our 4-to-1 interest in exports of these goods. We must remember that other countries have trade problems too. As we and they have learned to our mutual regret, everybody can play the costly game of trade restrictions.

The choice is plain: It is reciprocity or retaliation.

Important as our trade program is to building a stronger Nation here at home, it is equally important in building a strong neighborhood of nations where we can be secure.

Our first line of defense against potential attack is an effective deterrent power widely based throughout the free world. The dispersal of this power is a key aspect of our defense. But dispersal requires cooperation among the free nations—not merely military cooperation but in all the ways which make our allies strong.

It may be trite to say that trade is a two-way street, but is it trite to say that cooperative security is a two-way street? By no means. Allies need to be sturdy. Sturdy allies need progressive economies, not only to bear the burden of defensive armaments, but also to satisfy the needs and aspirations of their people.

This fact requires a clear understanding on our part that, for most of these nations, foreign trade is vital to their economies. Some are limited in natural resources, their markets at home are much smaller. In many instances their economies are much less developed. Trade is truly their economic lifeblood. The United States must continue to make it possible for them to trade with others and with us on a reasonable basis.

The American people have long been keenly aware of the Communist military threat. They are determined to maintain ample retaliatory power to deter armed aggression. But we must make certain that our people clearly recognize the danger of the Communist economic drive among developing countries—offering the carrot and hiding the stick.

The Soviet offensive

That danger is real and is growing. The Communists are deterred from military adventure by the defensive forces we and our partners and allies have built. They now seek, through economic penetration and subversion their purposes of ceaseless expansion.

The danger of the Soviet economic offensive is clear. To the leaders of Communist imperialism, economic relations are merely another means of gaining control over nations that become economically dependent upon the Communist bloc.

It is the Communist system that the Kremlin is determined to export.

It is the system of economic freedom that the Kremlin is determined to destroy.

If, through utilizing trade and aid, they can tempt free nations one by one into their spider web, they will have paved the way for political victory. And they will have made progress toward their great goal of economic encirclement of the United States.

Though its resources do not by any means match our own, the Soviet Union is enabled by despotic concentration to use them effectively for special purposes. By forced investment, heavy industrialization, and the repression of consumer needs, the Soviet bloc is producing on a growing scale the goods and capital equipment which many of the newer nations must have for their own economic development.

The Soviet capacity to export is coupled by a willingness to import. It is offering to receive raw materials and other products which free nations have to sell. Thus the Communist bloc holds out the prospect of becoming an important supplier of capital and equipment to free nations and a large market for their surplus products.

Communism, like all other forms of dictatorship, is a reactionary movement. Yet reaction has, more than once in the past, enjoyed periods of marked success. Can we be sure that reactionary communism will not succeed in tempting many nations to exchange freedom for glittering—and sometimes realistic—opportunities for material betterment?

We cannot at all be sure of this unless we see to it that economic freedom is allowed to operate effectively, that the benefits of economic advance in the free world are diffused and spread to others.

This means trade.

If free nations cannot find room and opportunity to trade within the free world, they will surely, inexorably turn to trade with the Communist world.

For to live they must trade. It's as simple as that.

Strengthens freedom

This brings us directly to the proposals for the extension of the reciprocal-trade program. This program was inaugurated by a great American, Cordell Hull, almost a quarter of a century ago. It has been extended and strengthened no less than 10 times. It has become a prime impetus to economic cooperation and to flourishing trade. It strengthens freedom against despotism.

To move forward along the road on which we have thus far advanced, I have recommended to the Congress a 5-year extension of the Trade Agreements Act. I have requested authority to negotiate reductions in tariffs, on the basis of the peril-point procedure, by 5 percent of existing rates a year, during this interval. I have further recommended strengthening the escape-clause and peril-point procedures to recognize more fully and promptly the need for relief in cases where injury to a domestic industry due to trade concessions is established under the law.

This program has been attacked as both too little and too much—which may suggest that it is about right.

In my opinion the authority requested in the bills introduced by Representatives MILLS and KEAN, embodying my proposals, is necessary to the continued success of the program. So, too, is the 5-year extension period essential to the continuity and stability of our trade relations.

There is a mistaken belief spread among some people that the administration's 5-year proposal was merely introduced as a bargaining position. Let me set the record straight. It is a proposal dictated by the facts.

Among these facts is a special one: A great common market is now being formed by six nations of Western Europe. These countries will in due course eliminate all barriers to trade among themselves and act toward others as a single economy. That means a common tariff applying to imports from the rest of the world, including the United States.

It is expected that important steps toward this common tariff will become effective during 1962—up to four and a half years from the renewal date of our reciprocal trade legislation this summer. If we are to serve the interests of American buyers and sellers the President must have from the Congress adequate authority for sufficient

time to prepare for and conduct negotiations with the common market authorities. In the national interest this timetable dictates a minimum of extension of the law for 5 years.

The good of America will not be served by just any kind of extension bill. It must be a good bill. It must be an effective bill. Such a bill is before the Congress.

The issue before the Congress and the American people in this spring of 1958 is a momentous one: Will we through apathy or ignorance see our trade program killed outright or gutted by amendments? Will we weaken ourselves by returning to the law of the jungle in trade relations between nations?

"Good for America"

Or will the program be extended and strengthened?

The choice is clear.

I repeat: This program is good for America.

It is good for America on straight pocketbook grounds. It is good today because it will help protect millions of jobs. It is good tomorrow because more trade means more jobs.

It is good for America, too, because it helps build the road to peace. I believe this program is vital to our national security. Retreat on this program would make dangerously difficult the holding together of our alliances and collective security arrangements.

Less trade means more trouble.

We cannot find safety in economic isolationism at a time when the world is shrinking. For us to cower behind new trade walls of our own building would be to abandon a great destiny to those less blind to the events and tides now surging in the affairs of men.

America will not choose the road, for it is a downward leading road to a diminishing America—isolated, encircled and at bay in a world made over in the image of an alien philosophy.

Rather, America will move forward strongly along the clear road to greater strength at home, expanding trade with other free nations, greater security and opportunity in a friendlier world for this and succeeding generations.

This is a great and continuing mission in which you and I and every American can have a part. We can serve it today by keeping our country firmly on its chosen course of fostering lifegiving trade among the nations. And on that same course we shall move ever nearer to permanent security and to an enduring peace with right and justice for all.

STEVENSON'S SPEECH

Sixty-five years ago this month my grandfather was inaugurated Vice President with Grover Cleveland, after a campaign in which he incessantly preached the virtues of free trade and the evils of excessive protection. We have been arguing the question incessantly ever since. And here I am doing it again.

After so many years and so many words, it is hard to think of anything new to say about foreign trade. The subject badly needs, if I may put it this way, some new clichés.

The newest thing I can say about it is that this conference should not have been necessary at all. It is a melancholy reflection upon our faltering position in a perilous world. Instead of planning for the future we are still fighting battles we thought had been won in the past.

So, I repeat that I deplore, not this conference, but the need for it—the need to reassure ourselves and a world grown dubious of our leadership that we are indeed leaders, that we are not seeking a way out but a way forward.

With unemployment grave, we are seeking to prevent a repetition of our terrible error of 1930. Using the jobless as the pretext, we then raised tariffs to unprecedented heights. This increased unemployment here and abroad. It provoked universal retaliation against us. It retarded world recovery from the great depression. Some authorities hold that the ratification of the Smoot-Hawley Tariff Act was a turning point in world history. The League of Nations survey of 1932 pointed out the part it played in deepening the depression and bringing on tariffs, quotas, embargoes everywhere.

Nor is this all. It fostered the fatal drive toward self-containment that brought on the catastrophic political changes in Italy, Germany and Japan, which precipitated the Second World War.

It is no easy matter to make trade policy. For now, more perhaps than in the 1930's, it is clear that trade policy is foreign policy.

Yet, in order to prevent the repetition of that fatal miscalculation of the 1930's, we must reiterate what we believed we'd never have to say again, namely:

The world is not our oyster.

It is not our colony.

It can get along without us.

But can we get along without it?—the shrinking world where, among other things, 250 American bases exist upon the sufferance of others; where we are the largest producers, the largest creditors, the largest traders, the largest investors?

No man an island

And this is to say what ought to be self-evident: that, as no man is an island unto himself, neither is any country; not even the United States, which must import more and more of its needs and export more and more of its product to be safe and sound.

We are the last great outpost of free enterprise capitalism. Yet here we are striving to keep alive a significant phase of free enterprise in its homeland; to keep a significant phase of capitalism functioning in the country of the capitalists; to keep competition alive among the apostles of free competition.

This is odd. But do I exaggerate? Let me illustrate. Our chemical industry is the world's largest. The annual sales of only one of its units is double the size of Japan's total exports. In 1957, our chemical exports were $1 billion greater than our imports. But this multibillion-dollar colossus wants tariff protection. While denouncing what it calls "Government interference" and proclaiming the glories of free enterprise, in tariff matters it seems to want to jump into Uncle Sam's pouch, like a kangaroo at the approach of strangers.

I noticed with more anxiety than amusement that one of the high priests of free enterprise in this industry resigned in anger not long ago when the National Association of Manufacturers suggested liberalizing trade policies.

The moral is chilling. Regardless of all the lessons of history, of all the counsels of experience, shortsighted domestic self-interest rather than the hard realities of international life often prevails in our public policy.

Yet in our dangerous days this is reckless counsel. For the character of our times, the nature of our struggle for survival in a pitiless universe, will be determined largely by how we react to material events. The manner of America's dealing with foreign trade policy, for example, will illuminate the way in which we may be expected to deal with the terrible issues confronting us in other fields.

"The cold algebra"

We may rise to the occasion, or we may sink to it. How we shall act must finally depend upon our resolution and our understanding of the apocalyptic day upon which the world has come.

Perhaps some figures, the cold algebra of sense and reason, will enlarge our understanding of reciprocal trade. They are not, however, the dreary digits of pedestrian transactions. In our era they are vital statistics of our society, and it is perilous to misread them. In our frequent concern for tremendous trifles it is not less perilous to ignore them.

We are the world's greatest traders. Last year our exports were valued at approximately $21 billion and our imports at $13 billion.

These numerals are abstractions. But behind them are about 4½ million Americans who live by foreign trade—7 percent of our labor force. If each of these workers is breadwinner of the typical family consisting of papa, mama, junior, sister, then some 18 million of us are nurtured in the present and sustained in our hopes of the future through foreign trade.

What of foreign trade and American business? The sun never sets on the American business empire. An empire without a capital colony, or ruler, it flourishes everywhere because it renders its customers greater satisfactions at lower costs than they can receive elsewhere.

The huge structure of American overseas business, far flung, carefully planned, heavily committed, is more than international. It is internationalized. Statistics barely illumine the majestic proportions of this structure.

American corporations have invested abroad about $37 billion, and it is constantly increasing. These corporations annually manufacture $35 billion of goods in their overseas plants.

Dividends from direct American foreign investments touch countless American pocketbooks. They account—the fact is astonishing—for about 17 percent of all dividend payments in the United States.

But the continuance of such dividends, and the security of our overseas investment, depend upon the continued operation of a theorem men lived by long before King Solomon's ships traded to Tarshish for ivory, apes, and peacocks. It is that in order to sell you must buy.

We may try to abrogate this theorem and still prosper. We may also—this being a free country—try to slow down the speed of light as it passes over Washington, D. C.

How we look to others

Our foreign trade looms over the world. Last year the combined value of our exports, imports, and overseas manufactures reached the staggering total of $67 billion.

Let us see this as others see it, and then we may get a notion of how we look to others when we complain about exports to us of tuna fish or wooden clothespins.

Our total foreign business of $67 billion last year was more than 3 times larger than the gross national product of India—the India that contains one-fifth of the human race.

Our exports range from locomotives to jukeboxes. The American movie industry derives nearly half of its revenues from overseas customers. Without them, it would shrivel.

The Gillette Co. and the National Cash Register Co. make nearly 40 percent of their sales abroad. In 1956 the H. J. Heinz Co. earned 70 percent of its consolidated net income overseas.

In Europe alone the International Business Machines Co. employs more than 16,000 persons. Foreign sales account for about one-fourth of the Goodyear Rubber Co.'s consolidated sales. Last year Firestone derived $17 million in profits from its overseas sales.

Approximately one-tenth of all movable goods manufactured here are sold abroad.

This is the significant tenth—the fraction that spells the difference between profit and loss.

We export about 20 percent of the trucks we produce, 40 percent of the track-laying tractors, 10 percent of our machine-tool output, over 20 percent of our mining and

construction equipment, about 15 percent of our coal output.

The world takes between 25 and 40 percent of our cotton, wheat, rice, tobacco, fats, and oils.

The farmers' stake

It is greater than the sales of new cars at home, greater than the farmers' gross income from crops or livestock, or the clothing purchases of all Americans.

The American farmer has long had a large stake in exports. And the farmer is still concerned with foreign markets. About one-fifth of our total exports consists of farm products. They are the output of 40 million acres.

I don't know whether foreigners regard it as a blessing or a product of what some regard as our peculiar culture, but a bubble gum manufacturer exports 10 percent of his output. (I wonder where it goes, also why.)

In my State of Illinois we have a company, the Caterpillar Tractor Co., which employs nearly 40,000 in the United States. In 1957 exports accounted for 42 percent of its sales. Without its export business, Caterpillar could have done without 15,000 workers last year and its payroll would have been $75 million less, not to mention the effect on 5,400 companies that sell to Caterpillar.

Foreign trade profits all of our States. I can cite only a sample:

Export trade brings approximately $800 million annually to Michigan's 18th Congressional District and provides jobs for nearly 3,000 people.

Goods to the Swiss

Exports bring about $123 million annually to Connecticut's First Congressional District and provide jobs for nearly 8,500 workers.

In 1956, for example, every State in the Union sold goods to Switzerland. Our Swiss exports rose from $7 million in 1936 to $215 million in 1956. The Swiss are expert textile makers and large exporters. Yet in 1956 they bought textiles made in Alabama, Georgia, Maine, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island.

Similarly, some of us want Swiss textiles. Such an interchange of goods benefits the economies of both countries. But, more important, it enriches the lives of the parties to the exchange. Liberalized trade policies make a bazaar of the whole world; a bazaar where everything is sold to further man's pursuit of happiness and satisfy his needs.

If liberal trade policies are good for the export industries, they are good for the consumer, too, and we are all consumers. If we can buy foreign goods cheaper we have more money to spend elsewhere on other goods and services, which means compensating employment. One hundred sixty-five million Americans can never agree on what to do about anything. But as consumers they could quickly agree that they need better goods at cheaper prices whether from California or New Jersey or India. If there is a forgotten man in the everlasting tariff struggle it is the consumer who really pays the tariff subsidies.

But I've dwelt too long on the obvious advantages of foreign trade to American business. What about the disadvantages? We hear it said once again that foreign competition will throw more men out of work; that tariff cuts reach into the helpless workers' pay envelope. What are the facts?

Workers affected

It has been estimated that if all tariffs were temporarily suspended only 200,000 to 400,000 workers might be affected, of whom only a third are in nonfarm employment, but since no such drastic step is proposed the dimensions of the problem are smaller.

According to the Department of Labor, in 23 industries in which the Tariff Commission found injury or threat of injury from April 1948 to March 1957, the maximum total displacement was 28,000, which is hardly a formidable figure with the economy growing at the rate of $10 billion annually and absorbing more than half a million new workers a year.

Moreover, pending legislation contemplates Federal assistance to industries, workers, and communities seriously injured by foreign competition resulting from tariff reductions.

No, it is not the tariff cut but the tariff that reaches into the worker's pay envelope.

Actually, it seems to me that unemployment is one of the strongest reasons for stimulating rather than stifling trade. The soundest way to restore and sustain full employment and economic health is to expand, to develop new products, and new markets.

There are a billion customers around the world who want what we can produce. But they can't buy unless they can sell. Trade with these underdeveloped countries, particularly as we supply them with capital goods, will enable them to increase their capacity for consumption of our products.

And that brings me to the political implications of freer trade, which, if anything, are more important than its economic aspects. For nowadays trade policy is foreign policy. If we don't understand that, the Russians do.

Since 1952, I have talked a great deal about Communist intentions in the field of foreign trade and economic aid. And I repeat again Stalin's counsel of that year to a Moscow conference:

"We can win the world peaceably. It will eventually turn upon West Germany and Japan. But the stupid, greedy West will hamper their foreign trade. Then we shall draw them into our orbit through overwhelming trade agreements."

Last year Mr. Khrushchev said:

"We declare war upon you—excuse me for using such an expression—in the peaceful field of trade."

The mounting opposition

And he added that he confidently expects to win this war and that the threat to the United States is not the ICBM.

Well, noting the mounting opposition to trade and aid generally, it looks as though we were determined to make Stalin a prophet and Khrushchev a conqueror.

Let me illustrate with the case of Japan, our best customer, after Canada, and recently our leading market for farm products. Japan is invaluable to the Free World.

The world's fifth largest grouping of people, the industrious Japanese, operate Asia's greatest workshop. Their crop yields per acre are the world's highest. The Japanese are striving to become the first Asians to escape definitely from Asian poverty. If they succeed, the effect throughout Asia would be great.

But Japan can succeed in only one way—through trade. And she can succeed through trade only by doing much of it with us. With too many people, too little land, too few resources, Japan must import about one-fourth of her food and nearly all the cotton, wool, iron ore, and other materials she processes. She can pay for them only with exports. Trade is life or death for Japan.

Huge China, with its land mass and 600 million population, exerts a mighty gravitational pull upon Asia. It would be a savage irony if the Japan we preserved from Communist aggression by our bloodshed in the Korean war should be driven by American business into the arms of the Communists.

No one in his right senses will any longer laugh off Communist competition in trade and aid or be content with reassurances that the Soviet Union is about to collapse. Already conspicuously succesful, their trade opportunities may widen as the recession deepens and as we close the door upon the newly independent countries that must trade with us or be drawn into the Communist orbit.

Their great advantages

In this total cold war the Communists esteem no weapon more highly than trade, not only because they understand its uses, but also because they read our newspapers and understand us—because they know that here local interest, as opposed to the national interest, makes us most vulnerable. They know, too, that with their totally controlled economy and the ability to impose sacrifices on their people they have great advantages over us.

But the consequences of restrictive trade policies come even closer to home than Japan and the cold war raging through Asia and Africa. These are not times in which we can see our best and closest friends angrily seeking other trading partners without grave concern. Yet in the current election campaign next door in Canada the Conservatives are attacking the Liberals for "putting all of Canada's eggs in the United States basket" and are promising alternative markets and investments.

Nor should we overlook the great impetus which the St. Lawrence Seaway could give to export-import trade in the Middle West.

And isn't there a lesson for us in the establishment of the common market in Europe and this bold acknowledgment, at long last, that prosperity and peace can come only through the freest and maximum amount of trading. The six nations of Europe that have agreed to eliminate all trading barriers in the next 15 years are not a trading bloc directed against us.

On the contrary the common market opens a vast new frontier for American enterprise. But the United States will be dealing with an entity of more than 250 million people with resources comparable to ours. It will be a match, and then some, for the United States at the tariff bargaining table.

Diving for storm cellars

Surely it would be folly not to give the President the authority he needs and hobble our leaders at the conference table or in the cold war. Surely it would be unthinkable to refuse to renew the Reciprocal Trade Act, and for at last 5 years in order to create some permanence about our intentions. Instead of diving for the storm cellars I suggest we take courage from the Europeans who have recognized that in the modern world we are interdependent and that the hope of peace and prosperity for all depends on expansion and an increasing volume of trade for each.

Indeed I would like to think that what has started in Europe is only a beginning. For if tariff barriers are barriers to peace and prosperity in six countries they are likewise barriers for all the countries in the North Atlantic Union and for the still larger association of free countries we must build—not just to counterbalance the Communists, but because in the long run trade and commerce and the arts of peace will save us, not weapons and alliances and the arts of war.

So, with the common market on one side of us and the mounting Sino-Soviet economic offensive on the other, any retreat on trade policy will have forbidding and unalterable consequences. It will further weaken our alliances, further enfeeble confidence in our leadership, push the great undeveloped areas into Communist arms, and in the long run isolate, imperil, and impoverish us.

We cannot, must not, dare not, turn the clock back to 1930. We cannot be at once advocates and opponents of growth, expansion, and competition. We cannot be at once political internationalists and economic nationalists.

As David Cohn, a southern author, said, "It is both becoming and perhaps saving that

we should so act that the world will again hold us to be a great country and not merely a big country."

CONSTRUCTION AND REHABILITATION OF THE MERCEDES DIVISION, LOWER RIO GRANDE PROJECT, TEXAS

Mr. ANDERSON. Mr. President, I ask unanimous consent for the immediate consideration of a concurrent resolution which I send to the desk.

The VICE PRESIDENT. The resolution will be stated for the information of the Senate.

The concurrent resolution (S. Con. Res. 75) was read as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States is requested to return to the Senate the enrolled bill (S. 2120) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division.

If and when the said bill is returned by the President, the action of the presiding officers in signing same shall be deemed rescinded; and the Secretary of the Senate is authorized and directed, in the reenrollment of said bill, to make the following correction:

In line 2 of section 3 of the House engrossed amendment after the words "to lands", insert "in this project."

The VICE PRESIDENT. Is there objection to the request of the Senator from New Mexico?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. ANDERSON. Mr. President, the resolution relates to S. 2120, to authorize the construction and rehabilitation of the Mercedes division, lower Rio Grande project, Texas, under the reclamation law.

The Senate passed the bill on August 19, 1957, with a floor amendment which was designed to make clear that any relaxation of the acreage limitation of the reclamation law in the bill was limited to this project and was not to be construed as general legislation. The desired result was achieved by inserting in line 2 of section 3 the words "in this project".

The House of Representatives on March 13, 1958, substituted the text of its own bill for S. 2120. Inadvertently the words "in this project" were omitted and the error was not revealed when the Senate agreed to the House amendments on March 18 with an amendment. The House agreed on March 19, and S. 2120 was sent to the President.

The concurrent resolution requests the President to return the bill, rescind the signatures of the Presiding Officers, and directs the Secretary of the Senate to make the correction indicated.

Mr. President, I move that the concurrent resolution be agreed to.

The VICE PRESIDENT. If there be no amendment to be proposed, the question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 75) was agreed to.

PROTECTION OF HUMAN HEALTH FROM RADIATION DANGERS

Mr. NEUBERGER. Mr. President, on February 14, 1957, I introduced in the Senate a bill to establish a National Radiation Health Institute and for certain other steps to be taken in the Public Health Service of the Department of Health, Education, and Welfare. A corresponding bill was introduced in the House of Representatives by Representative CHARLES O. PORTER, of the Fourth District of Oregon.

Because I have thus followed with interest for some time developments in the field of health concerning the impact of radiation on man, on other biological organisms, on the food we eat and on the environment generally in which we must live, I was most interested to learn of the establishment last week of a Division of Radiological Health in the Public Health Service.

I ask unanimous consent to have printed in the RECORD at this point a brief news dispatch from the New York Times of March 29, 1958, announcing the establishment of this new Division in the Public Health Service.

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

RADIOLOGICAL UNIT SET UP

WASHINGTON, March 28.—A Division of Radiological Health was established today by the Public Health Service.

Marion B. Folsom, Secretary of the Department of Health, Education, and Welfare, said the Division would bring together 51 persons and a budget of $400,000 already dealing with health aspects of radiation.

The Secretary said the program was expected to expand to include a staff of 76 with a budget of more than $600,000 for the fiscal year starting July 1, 1958.

Operating under the Bureau of State Services, the Division will provide technical assistance to State agencies dealing with medical, industrial, and other activities involving public exposure to radiation.

Dr. Francis J. Weber, medical director of the Department's regional office in Denver, will be brought to Washington as Chief of the Division before July 1.

Mr. NEUBERGER. Mr. President, I am glad to see that this step has been taken by the Secretary of Health, Education, and Welfare toward having the Public Health Service assume the responsibilities for a modern problem of public health which is likely to be as important as any which will confront the American public in the years ahead. According to the New York Times dispatch, the new Division only coordinates the work of 51 persons and a budget of $400,000 that is already devoted to the health aspects of radiation. However, this will form the nucleus of a future expanded program of radiation health problems within the Public Health Service.

Mr. President, I welcome this evidence of active concern within the Public Health Service as a long needed step in the right direction. I should like to state again that I believe this problem deserves further attention by the Congress. I would hope that the Committee on Labor and Public Welfare, to which my own bill on radiation health was referred, might allot a few days to hearings for the purpose of looking into the status of the Government's radiation health program in the light of this new announcement by the Department of Health, Education, and Welfare, and to determine whether additional steps such as proposed in S. 1228 might not be in the public interest. No Member of the Senate has a deeper or longer standing interest in programs of public health than the illustrious chairman of that committee, the Senior Senator from Alabama [Mr. HILL].

The great importance of a well-organized institutional framework for pursuing the necessary studies and research in the radiation field—in the light of the vast increase of radiation-producing activities that may be expected in this country in the near future—was pointed out recently in an editorial in the American Journal of Roentgenology, Radium Therapy, and Nuclear Medicine of February 1958, written by Dr. Russell H. Morgan, of Johns Hopkins University. I ask unanimous consent that the editorial from an expert source be printed in the RECORD at the conclusion of my remarks.

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

PROGRESS TOWARD A COMPREHENSIVE PROGRAM IN RADIATION SAFETY

There is perhaps no radiologist who has not, at some time or another during the past year or so, first been angered and then embarrassed at the widespread publicity given to the dangers of excessive radiation exposure in the public press. The anger has arisen from the all-too-frequent flagrantly sensational manner in which radiation hazards have been reported; the embarrassment has occurred from the realization that clinical radiologists, faced for many decades with the dangers of radiation, often have been careless in the use of radiologic apparatus and, perhaps more important, have often been unable to give answers to many fundamental questions where the actions of radiation on biologic systems are involved.

As a result of public concern, a number of nationally sponsored committees have been vigorously at work studying various aspects of the radiation exposure problem. Among these may be included the Committee on Radiology of the National Research Council, the National Committee on Radiation Protection, and the Radiation Study Section of the National Institutes of Health. In addition, numerous other scientific and semi-scientific groups have had these matters under serious consideration. In each case, the objective of the committee has been a review of the radiation problem as it pertains to the area of committee responsibility and the development of ways and means to correct such practices as are found from this review to be hazardous.

Although each of these committees has faced its task with great responsibility, it has become evident, as time has passed, that much of this committee work may not be as effective as desired. The reasons for this I believe are two-fold: (1) There is no one committee in this country with a continuing, comprehensive responsibility in the field of radiation control; and (2) There are few committees involved in radiation matters which have available to them mechanisms wherein their recommendations may be assuredly carried out.

To illustrate the need for comprehensive responsibility, let us consider the following matters. Those of us in clinical radiology

are well aware of the hazards which pertain to our own specialty. However, the applications of radiation-producing machines and materials are not limited to the practice of medicine. They are found more and more often in industry, in agriculture, and in the food processing fields, even a conservative look into the future indicates that the hazards of radiation exposure in industry alone, 10, 15, or 20 years hence, will potentially exceed those which exist today by many times. In addition, the activities of the military forces of the Nation which, until a few years ago, have not been of great concern in the maintenance of the health of our people, now are creating a radiation problem of considerable magnitude.

During the past few years, it has seemed to many that if effective control of the radiation hazards which confront the people of the United States today and in the years to come is to be attained, the radiation problem must be faced on a comprehensive basis and within an operational framework such that those who apply their time and effort to radiation safety may be assured that their recommendations may be transmitted into effective action. Furthermore, it has appeared to an increasing number of responsible physicians and scientists that the United States Public Health Service should take the lead in the development of just such a program. By law, the Service has primary responsibility for the maintenance of the health of the Nation. Unlike other Government agencies whose scope of interest in the radiation field is limited, the Public Health Service has the responsibility to our people to view the radiation problem from the broadest possible viewpoint. Finally, the Service, either by existing legislation or by possible legislation in the future, has the mechanisms whereby such control methods which, in the judgment of our best men in medicine and science, seem desirable, may be put into action.

Unfortunately, the Service in past years has developed no great competence in radiation affairs to support such responsibility. This has largely reflected a distressing lack of interest in these matters at high levels of authority and an assumption that radiation problems in public health could be effectively met by the Atomic Energy Commission, even though the latter agency's interest in radiation hazards is limited to its own circumscribed activities.

During the past summer, Secretary of Health, Education, and Welfare, Marion B. Folsom and his newly appointed Surgeon General, LeRoy E. Burney of the United States Public Health Service, recognized clearly the important role which the Service must play in developing a comprehensive radiation program in the health sciences. They also recognized that, to accomplish this objective, the Service will need the assistance and guidance of every individual, organization and society which has competence in those branches of the medical sciences where radiation is involved. For instance, the three national committees mentioned in an earlier paragraph, will be encouraged to play an even more vital role in the radiation programs they have pursued in the past.

To begin the work of the Service, the Surgeon General is currently forming a National Advisory Committee on Radiation which will be directly responsible to him. This committee will include men in a broad range of scientific and ancillary disciplines, including clinical radiology, radiobiology and radiation physics. It is anticipated that the committee will be relatively small, since much work is required, and this can be most readily effected if the committee is not excessively large. Its first job will be to evaluate the problems related to radiation and its hazards which affect the health of each one of us. Following this, it is anticipated that a comprehensive national program in radiation control will be developed. Finally, such legislation as may be necessary to place this program in operation will be sought.

One can only anticipate the areas of primary concern in the deliberations of the National Advisory Committee on Radiation. However, the history of the past few years makes it abundantly clear that great attention must be given to the development of fundamental and applied research programs whereby a better understanding of the effects of radiation on biologic systems may be gained, and whereby improved standards of safety may be developed.

In addition to problems in research, the needs of our scientific and medical schools in radiologic education will be studied with great care. At the present time, there is a great insufficiency of well-trained people in those fields of the medical sciences where radiation protection problems are important. As a result, considerable assistance must be given to our medical schools, schools of hygiene and schools of engineering by way of grants for building construction, faculty additions, and research fellowships, so that these schools may provide the climate wherein competent people in radiation affairs may be educated.

Ways and means of meeting today's problems, before the longer-range effects of future research and education come into play, must also constitute an area of serious deliberation. Furthermore, since the hazards of radiation exposure constitute only one of a group of environmental health problems which exist in our country today (for example, chemical toxins distributed in the air by industrial plants constitute an increasingly serious matter), it is important that this be recognized and that radiation control methods not be developed as an isolated program but in their proper relationship to environmental health problems as a whole.

In closing, there is one thing that might be well to point out, since it is of great importance if the freedom of the scientific and medical professions of our country is to be maintained. The Public Health Service historically in the conduct of its programs operates as an advisory agency rather than as a regulatory force. As far as regulatory matters are concerned, it has consistently left these to the regional, State, and local community to conduct; one can anticipate that such will be the case in the future. Furthermore, in its great programs in support of medical research during the past few years, the Service has consistently followed a course wherein the individual investigator has retained the greatest possible freedom in the conduct of his work; again, the same practices may be antcipated in the field of radiation. This viewpoint, I believe, is important to remember because a sound radiation program can develop and flourish best within a framework of scientific freedom, with only such regulation as the public health demands.

With the foregoing developments, it is sincerely hoped that in the future, matters on radiation control may be more effectively met—supported by comprehensive research at both the fundamental and applied levels and by the development of well-trained people who are able to do the job which is required of them. Certainly, this is the objective of the program on which the United States Public Health Service has embarked. As I have indicated heretofore, it will utilize every possible resource to insure its being a program of which all of us can be proud.

JOHNS HOPKINS UNIVERSITY
AND HOSPITAL,
RUSSELL H. MORGAN, M. D.
BALTIMORE, MD.

IMPROVEMENT OF HARBOR FACILITIES AT YAQUINA BAY, OREG.

Mr. NEUBERGER. Mr. President, with the passage by the House of Representatives of the omnibus rivers and harbors bill, S. 497, a beneficial undertaking long awaited on the Oregon seacoast has come nearer to reality. I refer to the great $19,800,000 Yaquina Bay Harbor project, near the tidewater communities of Newport and Toledo, in Lincoln County.

I am proud of my own part in helping to secure authorization by Congress of this major improvement of the deep-water anchorages along Oregon's magnificent and strategic shoreline, which borders the Pacific.

In November 1955 it was my pleasure to present a statement on behalf of the proposed modification of the Yaquina Bay project to the Board of Engineers for Rivers and Harbors. On the basis of information presented at the hearings, the Board approved plans to extend the jetties and to deepen the entrance channel across the bar from 26 feet to 40 feet, to deepen the channel inside the bar from 20 feet to 30 feet, and to enlarge the inside turning basin.

In July of 1956, after the House had passed the omnibus rivers and harbors bill without including the Yaquina Bay project, I and other members of the Senate Public Works Committee interrogated officials of the Corps of Engineers about the status of plans, and the Senate approved our action in including the project in the bill. After the President vetoed the bill on grounds that it contained projects lacking proper clearance of administrative agencies, I cosponsored S. 497, which was introduced early in the first session of the 85th Congress and which contained the authorization for the Yaquina Bay project.

The improvements at Yaquina Bay have long been sought by port officials and by other representatives of Newport and Toledo, and by commercial interests of these communities dependent on shipping in and out of Yaquina Bay. Their cooperation has been important to my efforts. Furthermore, establishment of a deep-water harbor at Yaquina Bay is of far-reaching importance to the adjacent territory which has great potential for economic expansion. Provision of adequate deep-water harbor facilities at Yaquina Bay will be the key to unlocking vast development of seaborne commerce along Oregon's seacoast.

Mr. President, I ask unanimous consent to have printed in the RECORD with my remarks an editorial from the Oregonian of March 2, 1958, concerning this major forward step in improvement of Oregon's water transportation potential.

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

DEEP HARBOR STEP CLOSER

If the rivers and harbors authorization bill is not vetoed by President Eisenhower this year as it was in 1956, Oregon will stand a fair chance of obtaining another deep water harbor—at Yaquina Bay. Realization of the proposal then will depend on appropriations from Congress, which are not included in the measure just passed by the House or in a similar bill approved earlier by the Senate.

The $19,800,000 Yaquina Bay project was one of the stumbling blocks to Presidential

approval 2 years ago. The President then contended that several projects, which are included in this year's bill also, had not received normal study and approval by the Army Engineers. The Yaquina Bay job was one of these. The President also objected to some projects on the grounds that they either were not economically justified or required insufficient local contributions.

Since the 1956 veto, the Yaquina Bay project has been studied further and approved by the engineers. If a Presidential veto is forthcoming this year, the Oregon job's status with the engineers cannot be blamed for it.

The project is a major one. Its estimated cost is approximately the same as that of deepening the channel in the Willamette and the Columbia to 40 feet from Portland to the sea, an undertaking on which Congress has not acted. Plans provide for extension of both north and south jetties; deepening of bar and outer channel to 40 feet for a width of 400 feet and a length of 3,400 feet; establishment of an upstream channel 2.4 miles long, 30 feet deep, and 300 feet wide, and digging of a turning basin 30 feet deep covering an area 900 to 1,200 feet wide and 1,400 feet long.

Principal user of the Yaquina Bay facilities would be the Georgia-Pacific Corp., which recently added a $22 million pulp and paper plant to its sawmill and plywood operations at Toledo. The company has announced plans to bring in hemlock pulp from Alaska for processing at Toledo when harbor facilities make that possible.

Lt. Gen. Lewis A. Pick, retired chief of Army Engineers, appeared as vice chairman of the board of Georgia-Pacific Plywood to argue in behalf of the project before the Board of Engineers in Washington in 1955. District and division engineers then had recommended against it on the grounds that benefits would be insufficient to warrant the expense. General Pick described the improvement as the answer to the shifting of lumber operations from Washington State to southwest Oregon. The improved harbor, however, would be more than a lumber port, he asserted. Shipping would increase by 840,000 tons a year, he said.

The harbor improvement would be a substantial addition to Oregon's economy just as is the recently completed pulp and paper mill. One question arises, however, in view of expensive efforts made during construction to avoid polluting the oyster beds and other fish life and the further precautions ordered last week by the State sanitary authority: What effect will conversion of Yaquina Bay into a deep-water harbor have on the hitherto carefully protected shell and fin fishes?

OPPOSITION TO ANY REDUCTION IN IMPORTATIONS OF CANADIAN CRUDE OIL

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a copy of a letter I addressed to President Eisenhower on March 28; and a telegram I have received from the Northwestern Refining Co., of which Mr. Elmer R. Erickson is president.

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

WASHINGTON, D. C., *March 28, 1598.*

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: I have just completed reading the Executive order which you issued on March 27 in connection with Government purchases of crude petroleum and petroleum products and the supplementary report dated March 24 of the special committee to investigate crude oil imports.

There is a growing interest in this matter among the citizens of Minnesota and the Midwest region of the United States. I feel that the report submitted to you by the Secretary of Commerce recognizes the necessity of restoring the competitive vitality of the small independent refineries and the small crude producers of this Nation.

Because this program to study and investigate crude oil imports is a continuing one. with periodic reports to be submitted along with recommendations, I believe that it is necessary to bring to your attention certain proposals for your study and consideration.

I am particularly concerned with the subject of Canadian crude oil imports. We in Minnesota are very conscious of the long history of friendly relations experienced between the United States and Canada. No one will deny the need for the continuance of such friendly relations.

Keeping in mind that the Canadian crude oil industry is in its infancy and the small refiners in Minnesota and in the Midwest depend to a large extent upon imports from Canada, I submit the following suggestions for your study and investigation.

1. That Canadian crude oil imports be exempted from future controls on imports. Considering this suggestion from the standpoint of our national security and economic conditions, I have not found where such an exemption of Canadian imports would have an adverse effect. If it is not possible to adopt such a suggestion then I would further suggest—

2. That refiners which are certified as small business under the definition set down by the Small Business Administration be exempted from controls on imports.

Inherent in these suggested changes is my deep concern for the future status in our economy of the small refiners and small producers and my concern for the continued good relationship between our country and Canada.

It would seem that both of the above mentioned ramifications would justify a review of the import program for the purpose of determining whether one or both of the suggestions could be adopted. I am hopeful that the administration will give careful consideration to these proposals.

Respectfully yours,

EDWARD J. THYE,
United States Senator.

ST. PAUL, MINN., *March 31, 1958.*

Hon. EDWARD J. THYE,
Senate Office Building,
Washington, D. C.:

We note with interest your excellent release supporting no reduction in Canadian crude imports for Minnesota refiners. We support your position and we will sincerely appreciate any further efforts you can name on this matter in our behalf.

NORTHWESTERN REFINING CO.,
ELMER R. ERICKSON,
President.

THE FARM PROBLEM—LETTER FROM ALFRED WAGGONER TO THE SECRETARY OF AGRICULTURE

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, for the information of the Senate Committee on Agriculture and Forestry, a copy of a letter which I have received from Alfred Waggoner, of the Walnut Grove Farm, of Lindsey, Ohio. The letter is most informative. For that reason, I believe it should be printed in the body of the RECORD, and also should be referred to the Committee on Agriculture and Forestry.

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

WALNUT GROVE FARM,
Lindsey, Ohio, March 26, 1958.

Hon. EZRA T. BENSON,
Secretary of Agriculture,
Washington, D. C.

MY DEAR MR. SECRETARY: I wish to call your attention to the misinformation in the press and by public utterances in the past and present with respect to the farm problem.

Just what is the farm problem? This question has never been defined. A physician cannot cure a patient without a proper diagnosis and by the same token this farm problem will never be solved or improved until all the factors creating the problem are taken into consideration.

I want to make this clear and emphatic, farm surpluses are not the crux of this problem, merely incidental to it. Permit me to repeat, farm surpluses are not the crux of the problem, merely incidental to it. Our farm surpluses are only good insurance against crop failures, except wheat and cotton and should be maintained at all times. The ever-normal granary concept.

A problem can never be solved if we fail or refuse to recognize the factors creating the the problem. This problem has been with us for a long time, became acute about the time of the Granger cases in 1870–80, and has been with us to the present time. The problem became worse since World War I when farm operations became more complex and expensive. Agriculture only wants parity or a fair and equitable exchange basis for the products that we produce.

Industry and services have all been surrounded by protecting legal devices. What protection has the farmer? All such legal devices protecting industry and services are founded in the presumption of "a reasonable return on a reasonable investment." Those legal protective devices are the factors creating the farm problem and causing the present cost-price squeeze. To name some of them are the following:

1. Utilities, electric power, telephones, gas, etc.: State law.
2. Interstate railroads, trucks, buses, airlines, pipelines: Public law.
3. Tariff making power of Congress: Public law.
4. Bargaining power of labor: Public law.
5. Fair trade laws: State law.
6. Federal Trade Commission: Public law.
7. Federal Communications Commission: Public law.
8. Federal Power Commission: Public law.
9. Interstate Commerce Commission: Public law.
10. Tax inequality—

(a) quick depreciation writeoff, depletion allowances, etc.: Public law.

(b) farm soil is expendable, therefore should be depreciated. Farmers should be given compensation allowance for their labor and management for income tax purposes.

In addition to the foregoing, we have some monopolistic controls. Until World War I when some prices were pegged and 1933 when AAA was enacted and amended to the present, was the only time agriculture received any price protection by public law. This price protection has now deteriorated to a mere mockery.

Mr. Secretary, pray tell me how farmers can stay in business without price protection in view of the aforementioned legal devices. You must also remember that the farmer's cost of production is governed by the same economics as that of any other producer of goods and services. Contrary to public opinion that farm prosperity can-

not be legislated, if the problem and cost-price squeeze was caused by legislation, it must be corrected by legislation.

Like President Lincoln's statement "the Nation cannot be half free and half slave," likewise the farmers cannot be on a free-trade basis and the rest of our economy be protected. This double standard of morality in our economy, one standard for agriculture and another standard for the rest of the economy cannot endure. Agriculture has been in real trouble for over 40 years.

Agriculture is the basic industry. Agriculture built this Nation. It was so aptly said in the past "take away agriculture and your cities will wither and grass will grow in your streets." We have tried every expedient endeavoring to evade the real causes of the problem and have failed.

Are we so morally, spiritually, and intellectually bankrupt that we cannot dispose of our farm surpluses in a hungry world? Congress did enact Public Law 480 that is partially doing the job, but it can be improved. Among the many blessings that our Nation is endowed with, probably the greatest is our abundance of food. Without it, where would we go for food in this hungry world except for wheat in Canada and Australia? For this abundance the farmer is penalized.

We fail to realize or have we forgotten that we are a creditor Nation instead of a debtor. When we were a debtor, we cleared our trade balances mostly with agricultural exports. Our exports now exceed our imports, hence no debt balance. Now we do not know what to do with our farm surpluses. We do not want agricultural exports to interfere with industrial exports.

You were so frank and naive when you said recently that we must lower parity so that farm products would move more freely in the world markets. If prices of industrial products were lowered so that they would move more freely in the world markets, there would be no farm problem or would be greatly lessened. You advocate lowering parity and farmers produce more; that is the surest method for farmers to farm themselves into the poorhouse. Low prices never put the one gallus farmer out of business, however you must know that it is bankrupting the good young commercial farmer that went in debt recently. It is also discouraging young rural men from engaging in agriculture. We cannot afford to have this condition exist. Agriculture needs these young men and must have them.

Mr. Secretary, you seem to be so far removed from the actual conditions and needs of the dirt farmer. We forget that during the 1930's when wheat was 32 cents per bushel and hogs were 2 cents per pound, this did not increase consumption. Consumption was actually less per capita—no purchasing power. Low prices never reduced acreage. Can we never learn from past experience?

I have no patience with any arbitrary parity basis for any farm product less than full parity. In order to attain and maintain a balance of production and consumption, we must have acreage allotments with strict compulsory and cross compliance, or some such a plan as the Brannan plan. Also the 1933 historical base acreage must be brought up to date and be made more equitable so that agriculture can be on a going business basis. My present allotments were founded on 1933 base acreage and I cannot comply.

A word about subsidies. Whenever Congress appropriates money for agriculture the consumers shout to high heavens about farm subsidies and the ones shouting the loudest are the ones receiving the most subsidies. To name a few of the segments of our economy that are subsidized: nonferrous mines, airlines, trucks, busses, steamships, publishers, quick writeoff of depreciation, depletion allowance, labor, tariff (indirect subsidy), harbors (channel dredging, breakwaters, lighthouse), and others. When agriculture receives $1 of subsidies other segments receive $5 plus. I have noticed in recent press reports that some unemployed workers have reached the limits of their unemployment compensation benefits and are now being supported by the taxpayers. That is an industrial subsidy and has always been in the past.

The last 5 years, the taxpayer had to pay more for agricultural surpluses and the farmers received less for their products in about the same proportion. I hate subsidies. If other segments receive subsidies, we must also share them. There is no other alternative.

I also have no patience with the pious pronouncements that the Government get out of agriculture and that we go it alone and let nature take its course. We had to endure that during the 1930's. That was enough for me.

Trusting that you will recognize some of the factors creating this problem and make recommendations to Congress recognizing that farming is a business and not a way of life today. Among many other things, the farmers consume about 50 percent of steel and gasoline, with an adequate purchasing power. Our curtailed purchasing is a factor in this present recession, depression, panic (by any other name it would smell just as sweet).

Again, I am pleading with you to give this problem the consideration that it deserves in arriving at some definite and permanent solution.

Respectfully yours,

ALFRED WAGGONER.

PROSECUTION OF PERSONS ENGAGED IN SALE OF OBSCENE LITERATURE

Mr. THYE. Mr. President, last week I introduced a bill to aid in the prosecution of those who are engaged in the sale of obscene literature through the United States mail. This bill, S. 3555, was held on the table for the remainder of the past week, in order to afford to other Senators an opportunity to join in sponsoring it.

A recent article, which appeared in the Washington Evening Star, and has been reprinted in the Postmasters Advocate magazine, very pointedly brings out the urgent need for the enactment of legislation to curb the mailing of obscene and crime-inciting materials through the mails. The article describes the activities of these immoral enterprises, and points out the difficulties which are encountered in attempts to prosecute the offenders. The bill I have introduced will make it possible to bring action in the jurisdiction where the objectionable material is received. In other words, with the enactment of Senate bill 3555, parents of children in Minnesota who receive these lewd and obscene advertisements will be able to prosecute the sender in their home jurisdiction, rather than have to bring the court action in some distant jurisdiction, such as Los Angeles or New York.

Mr. President, I ask unanimous consent that the article be printed in the RECORD at this point, as part of my remarks, and also it be referred to the Judiciary Committee, for consideration along with Senate bill 3555.

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

[From the Postmasters Advocate of March 1958]

LETTER MARKED "PERSONAL" MEANS OFFER OF LEWD PICTURES TO JUNIOR—PARENTS' COMPLAINTS TOTAL MORE THAN 50,000

(By Miriam Ottenberg)

(EDITOR'S NOTE.—The following article is reprinted with the special permission of the Evening Star, a Washington, D. C., daily newspaper in which it recently appeared. The author has been a Star staff writer for 20 years. She specializes in stories dealing with crime investigations, administration of justice, law enforcement, and campaigns for reform. This particular feature article has been syndicated by the North American Newspaper Alliance. It also appeared in the CONGRESSIONAL RECORD.)

Junior sends away for a cowboy picture or a model car or a fishing rod.

Then it happens. The postman delivers a letter to Junior, sometimes marked personal, often in a girl's handwriting.

The letter is indeed personal. Junior may be only 13, but he is urged to write for "sexational" pictures of Hollywood models, "stag party" films or "authentic French type photos." A sample of the promised wares tumbles out of the envelope.

This is only the beginning. Through the mail slot of Junior's home now comes a flood of lurid circulars. Junior is now on the mailing list of a dozen different promoters of obscene or near-obscene pictures.

Some of the letters purport to be written by the models themselves, cleverly reproduced to resemble handwriting and complete with an intimate P. S. Thus a youngster is likely to get the impression he is one of a select few although a single outfit has been known to mail out more than 100,000 similar letters in a few days.

Junior's parents finally complain to the Post Office Department. In the past year, more than 50,000 such complaints have reached the Department.

FLOOD OF OBSCENITY

Postal inspectors estimate conservatively that 50 million direct mail advertisements for pornography are now going into homes across the country annually. From a trickle in 1950, the flow of obscenity by mail is now reported at flood stage.

The promoter's "take" is enormous. The former wife of one of them testified under oath that her husband raked in $750,000 in a few months. Advertised prices of the merchandise range from $2 to $80. Ironically, the advertising material is often more obscene than the merchandise itself, postal inspectors say.

The parents want to know what the Post Office Department is doing about it. Last week, postal officials explained to a Congressional committee how their hands are tied. They want Congress to untie them.

There are now two ways they can go after the promoter—by civil or criminal action. On the civil side, the Postmaster General, after an administrative hearing, can issue an order under which postmasters can return the mail stamped "unlawful" and the promoter is quickly out of business. But, pointed out Chief Postal Inspector D. H. Stephens, as soon as the order is issued, the promoter can run to court and gets an injunction to keep the postmaster from carrying out the order.

On the criminal side, prosecution is virtually balked under a 1952 court ruling. A Federal appellate court ruled that a case against a promoter could only be brought where the circulars and other obscene material were mailed—not where they were received. If the circular is mailed in Hollywood—where the largest number of them originate—the United States attorney in

Kansas or Michigan or any other place where Junior gets the circular can't do a thing about it.

SOPHISTICATION A FACTOR

As tactfully as possible, postal inspectors say that judges in metropolitan areas have a more sophisticated attitude toward the material than judges in other parts of the country. Mr. Stephens put it this way:

"Unfortunately, the largest dealers in smut and obscenity have been able in many instances to frustrate our efforts to stop them because of legal barriers which enable them to take refuge in areas where the Federal courts take a very broad view of what constitutes obscenity which is not shared by the rest of the country."

The Post Office and Justice Departments have joined in asking Congress to let them prosecute the promoters where Junior lives, not just in the big city where the promoter does his business. "We want to give the offended communities a chance to decide what is obscene and what they want to do about it," a postal official explained.

They figure that the parents who would serve on the juries in the towns where the pornography is coming into mailboxes would take good care of the promoters.

The attitude of parents is reflected in this sampling of recent complaints:

From the Milwaukee mother of a 15-year-old son: "I have been having an awful time trying to keep these things from him, but he must have his name on a lot of lists. All I can do is ask that you take care of people like this in whatever way you are able. Thank you."

From the Effingham (Ill.) parent: "I have written about six letters back, telling them he is a child of 12 years. He just received another one."

From a very concerned father in Hartford, Conn.: "The advertisers are not only guilty of peddling filth but some * * * even brag about the fact that they are breaking the law by selling and mailing pornographic matter."

MAIL FOR A 12-YEAR-OLD

From a Chicago mother: "For over a year these filthy things have been sent to my son, who is 12. * * * For a while it slowed down and is now going full force again. I cannot see why the Government permits it."

From a Lansdowne (Pa.) mother: "What can one do if children get to the mailbox and open the mail to see pictures of this kind? * * * Why should they be in the mailbox of people who are trying to be decent? What would my 8-year-old and 10-year-old daughters think, how can I explain if they should get these and see them?"

From the Pittsburgh uncle of an 11-year-old, who had sent for a cowboy picture: "From the tie-in with the cowboy pictures, it would appear that this campaign is aimed directly at youngsters and is therefore particularly vicious."

A Washington mother said the circulars started after her son sent for a rebuilt English rifle. A New York father said it began after teen-agers sent for catalogs on guns, radio equipment and camping information. A Des Moines lawyer said a 14-year-old boy got on the obscene mail list after writing for rare stamps. Complaints have come from a girls' training school in Michigan and a fashionable boys' academy in Pennsylvania. Circulars are still coming to the home of a boy killed several years ago in a traffic accident.

Meanwhile, the promoters are having a field day, capitalizing on the findings of the postal inspectors.

One circular boast: "Sexually stimulating and provocative? Yes, says the United States Post Office." This same circular announces: "Gigantic clearance sale stag merchandise. Too hot to handle. Must be sold before final court decisions."

A note attached to one circular sounds this note of urgency: "The censors say we have blown the lid off and may have stepped out of bounds. Because of this situation, it may become necessary to destroy our negatives. We therefore urge you to order immediately."

Postal inspectors wish the promoters really feared they were in danger of a shutdown. One of them summed up the situation this way: "Postmen are forced to carry mail they don't want to carry, at a loss to the Post Office Department, into homes that don't want it."

CHIEF POSTAL INSPECTOR URGES PROMPT ACTION

POST OFFICE DEPARTMENT,
CHIEF POSTAL INSPECTOR,
Washington, D. C., March 18, 1958.

Hon. LOWELL K. GALBRETH,
President, National League of Postmasters of the United States,
Washington, D. C.

DEAR MR. GALBRETH: Your recently expressed personal interest and offer of added assistance with the Department's efforts to prevent use of the mails for the distribution of obscene material are much appreciated, as are the efforts of postmasters in this regard.

As described to you, the rapidly increasing volume of objectionable material being sent through the mails is cause for alarm on the part of all citizens, thousands of whom are voicing violent objection to the receipt of such unwanted and unordered matter by juveniles.

You are aware of the fact that the Department is making every effort to obtain legislation designed to aid in the prosecution of those who are engaged in the sale by mail of filthy literature and pictures. Even though the inspection service has caused 144 major arrests for the subject offense in the past year, legal restrictions and rulings favorable to the promoters have made effective action difficult indeed.

It is believed that a public informed of all of the circumstances under which dealers in obscene mailings are reaping fortunes annually will insure success in barring the mails to and punishing offenders. Postmasters stand in this, as in numerous other ways, in an especially important position to render public service.

Thank you again for your interest.

Sincerely yours,

D. H. STEPHENS,
Chief Inspector.

MR. LEHMAN'S 80 GOOD YEARS

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD the editorial tribute from the New York Times of March 28, 1958, on the occasion of the 80th birthday of our beloved former colleague, Herbert Lehman, of New York.

His clear and courageous voice has been a force for reason in our public life for three decades. His enduring vitality, undiminished concern for human needs, and broad vision, are as evident today as they were during his years in the Senate and in other public positions.

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

MR. LEHMAN'S 80 GOOD YEARS

When a citizen is as valuable to the community as Herbert H. Lehman, former Governor, former Senator and constant servant of the public, it is an added piece of good fortune that he has also the quality of longevity. Mr. Lehman is, according to all the available records, 80 years old today. He does not, however, behave like a man who is conscious of his years. His name continues to be in the news, not for any self-glorification, but as that of a man continuously active in good works and no more afraid than he was a generation ago to engage in controversies.

His latest contribution to the public good was to take a successful hand with Harry Uviller in settling the recent brief controversy in the International Ladies Garment Workers Union and their employers. Everybody assumed that this strike was as good as settled as soon as Mr. Lehman took on his part of the job. Both sides trusted him. Both sides, plus the general public, respected his wisdom and recognized his innate good will. He had to stay up practically all night during the crucial weekend, but he did it.

So with his other activities, he still sits on the Democratic Advisory Council. If he thinks our Middle Eastern policy is wrong, as he has thought during the past year, he says so. The keen, shrewd mind that made him an outstanding success in his own business and in the public's business in offices to which he was elected operates as accurately and as incisively as ever.

There would not be enough space on this page to summarize Herbert Lehman's public career. He has been a part of the liberal movement in this country ever since he abandoned his business career to run for Lieutenant Governor on the Roosevelt ticket in 1928, but what stands out in his personality over and above its intellectual qualities is his conscience, his tolerance, his zeal for liberty and the warmth of his heart. These qualities the public seemed to realize very early. Mr. Lehman astounded the professional politicians by the huge majorities he rolled up in several elections without any use whatever of the customary pyrotechnics. All he had to do seemingly was to show himself in order to make the electorate like and trust him.

It is hard to tell what to wish any man when he has reached the age of 80. Perhaps in this case the sensible thing would be to wish, on behalf of the whole community, that Herbert Lehman may go on doing what he is now doing as long as possible and with undiminished zeal and vigor.

PROPOSALS TO SUSPEND TESTS OF NUCLEAR WEAPONS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to proceed for not more than 5 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. HUMPHREY. Mr. President, the Soviet announcement that it will end its tests of nuclear weapons unilaterally is not unexpected. I invite the attention of Senators to the fact that on Thursday of last week I indicated, in a brief speech in the Senate, that we could expect this Soviet announcement very shortly.

Since the Soviet Union has just concluded one of its most elaborate test series, it is not strange that it should announce that it is suspending its tests, at least for the time being. The world should realize that the Soviet Union is not making a single concession in terms of its own security in this announcement. The Soviet Union states it will be forced to resume testing if the United States does not also agree to stop testing. This is another way of saying, the Soviet Union will resume testing when its re-

search indicates that another test series is ready.

I invite the attention of my colleagues to the fact that the recent series of Soviet atomic tests was the most diversified and the most intensified in Soviet history. I regret that our Government has not seen fit to inform the people of the United States as to the nature of these tests, even though such information is available from the scientific data which have been gathered by our detection system. The matter of explosions of atomic bombs and testing is no longer a private privilege. It is a matter of the utmost public urgency.

The United States Department of State must make it clear that the Soviet proposal is really no proposal at all. At the same time the administration must get off dead center and press for negotiations with the Soviet Union for a suspension of tests, with inspection.

I sincerely recommend that the President of the United States announce immediately that we are prepared to break up our disarmament "package," that we are prepared to separate the matter of the testing of nuclear weapons from the production cutoff of nuclear materials for weapons purposes, and that we are prepared to meet with the Soviet Union to discuss a disarmament proposal limited to cessation of tests alone, but with inspection.

Second, I recommend that the President place on the agenda of the United Nations, through the required procedures, the declaration that we seek the good offices of the United Nations in the promotion and attainment of such a test ban with inspection.

We should point out that for the Soviet Union to say it is going to stop testing is not tantamount to a test cessation because without inspection the world will not have assurance that Soviet tests have actually stopped.

The United States should not only propose to negotiate with the Soviet Union on a test suspension but it must promptly inform the American people what kind of inspection it believes will be adequate. The administration has allowed the impression to grow that the detection of tests would be impossible even with an inspection system. This is simply not true. Our test detection measures are excellent and, if an inspection system were installed in the Soviet Union, the Soviets would have a very difficult time trying to avoid detection. In fact, the consensus of those in the executive branch in a position to know is that our detection system would be so good that the Soviets would not dare to try to cheat.

I wish to emphasize that there would be some risk in agreeing to suspend tests of nuclear weapons even with an inspection system. This risk, however, is small compared to what we would receive in return, a first step in halting the arms race, and the start of an exchange between the United States and Soviet Union, as well as other countries, of inspectors so that mutual confidence and trust could begin to be established. This inspection of a test suspension would be an enormous breakthrough, a political breakthrough second to none. If the administration does not soon act in this matter it will cause the United States to hand to the Kremlin the entire initiative on the question of seeking peace. We must indicate to the world the fallacy of this recent Soviet announcement but at the same time we must indicate that we are prepared to negotiate on an inspected test suspension.

Mr. President, this morning our Nation has been delivered a terrible propaganda blow. For months we have had the opportunity to negotiate a satisfactory test suspension, but we frittered away our time because those who were in charge of this Government have been either timid or uncertain, and the conflict in administration circles over what should be done has left us paralyzed and immobile.

The time is at hand for action, and I hope we shall not again see the specter of the Soviet Union literally keeping our Nation punch drunk from one propaganda blow after another, leaving us standing before the world in ugly nakedness, because of the sterility of our international policies on this great issue, with which the people of the world are so deeply concerned, namely, the danger of a thermonuclear war.

Mr. COOPER subsequently said: Mr. President, I wish to refer to a statement which the distinguished junior Senator from Minnesota [Mr. HUMPHREY] made a few minutes ago. It was an important announcement, and one which Members of the Congress and the persons in the country are going to hear a great deal about in the days ahead.

The Senator from Minnesota told the Senate today that a very important decision had been made by the Soviet Union; namely, to suspend thermonuclear tests, unilaterally. As a Member of the Senate and as an American citizen, I am concerned, as are all other Americans, with the decisions which affect our security and our position in the world.

I believe we must concede that the announcement will have a profound effect on the world. It will have great propaganda value. It may cause great pressure to be brought upon the United States to take a similar step. Regardless of whether their decision is based upon all the facts, in the minds of many people the announcement will sound reasonable. It will so appear to many people in the world, and to world opinion. Many will believe the Soviet Union has taken an important step toward world peace.

I think the position of the United States and of the present administration has been sound in regard to suspension of nuclear tests. Our position has been, that concurrent with an agreement to suspend nuclear tests, there should be some assurance of inspection, there should be an agreement to stop the production of fissionable material and to cease the manufacture of thermonuclear bombs, eventually leading toward the abolition of such weapons.

Nevertheless, I believe it will be very difficult now for the United States to convince a great portion of the world that our position is not legalistic legalisms. It will be difficult to convince many people in the world our position is actually designed for world peace, toward doing away with the actual instruments of war, rather than the suspension of tests.

There will be a more urgent necessity now for the administration to make clear to the world our purposes. We should make it clear that we have not been simply speaking of a suspension of nuclear tests, which in itself would not assure that bombs would not be used, but we are seeking the actual suspension of the manufacture of bombs and the eventual abolition of the bombs, to prevent them ever being used in war. We could hinge our argument upon the truth, that our objective is to ultimately remove from the possibility of their use the thermonuclear weapons which threaten the peace and security of the world. For it is the grave threat of their use, rather than nuclear tests, that endangers the world.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. COOPER. Mr. President, I ask unanimous consent that I may continue for 2 additional minutes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky?

Mr. SMATHERS. Mr. President, reserving the right to object—and I shall not object—I wish to point out that the Senator from Wisconsin [Mr. PROXMIRE] has been standing for some time, and has not yet had an opportunity to speak. The Senate is in the morning hour.

It is most interesting to hear what the Senator from Kentucky has to say, but I hope after he uses the additional 2 minutes he will end his discussion of the matter and we may proceed in order under the morning hour rule.

Mr. COOPER. Mr. President, I do not want to take the time of the Senate unduly. I will say I also stood for some time. I know the limitations of the morning hour.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and the Senator from Kentucky is recognized for 2 additional minutes.

Mr. COOPER. We have to make clear that the purpose of the United States is not merely the suspension of tests alone, but as a step in the final abolition of these instruments which could destroy the world.

Second, Mr. President, the United States ought to consider making an announcement such as, "We will suspend tests for a reasonable period. In that time, we will see if the Soviet Union will agree to take steps toward inspection, toward the cessation of production of fissionable materials and bombs." We could thus place upon the Soviet Union the test whether it is actually willing to stop the production of fissionable materials and the bombs which place the world in danger. It seems to me that the Soviet Union would then be before the bar of world opinion.

I hope our efforts to make our position clear will increase, because of the Soviet announcement.

The VICE PRESIDENT. The time of the Senator from Kentucky has again expired.

Mr. JAVITS subsequently said: Mr. President, I endeavored to have the Senator from Kentucky [Mr. COOPER] yield to me, but unfortunately his time was limited.

CESSATION OF NUCLEAR TESTS

I now wish to join with him in a word to the American people on the announcement by the Foreign Minister of the Soviet Union, Mr. Gromyko, on the suspension of nuclear tests.

This is a grave moment for the American people and for the people of the world, because they could easily be taken in by what is obviously a propaganda maneuver, leaving us wide open to results which would be bad not only for us, but for the Russian people themselves.

We bear the awful responsibility of treating with the subject in a responsible way, while the Russian leaders apparently believe that they can afford to treat with it strictly as a propaganda medium.

The State Department has referred to these proposals by Mr. Gromyko as "illusive formulations." That is exactly what they are, for they propose to bypass the effort of the entire world with respect to disarmament with control and inspection, including the suspension of nuclear tests, an effort which, I emphasize, was approved by the United Nations General Assembly. The Soviets come forward with a new, glamorous proposal which has no beginning, no end, and no real basis in fact.

In effect, what they are saying is, "We are going to stop these tests when and as we please, with no inspection or control, and no assurance as to what we have done in the past or what we shall do in the future; but we want all of you to follow us."

If the world were to take that bait, it would be ripe for picking by the Communists. I believe that our leadership is much more firm and decisive than that, and that there is a determination on the part of the free peoples, through their various organizations for self-defense, such as NATO, the Baghdad Pact, SEATO, the Rio Pact, and others, not to be taken in by this Russian bait.

I think it is up to people like ourselves to sound the clarion call, the tocsin of danger, for the world, so that it will not be taken in.

At the same time, we should sincerely press forward in the United Nations, and any other forum open to us, including a prospective summit conference, to propose methods of true cessation of nuclear tests which include concern for the security of the world, namely, methods which involve inspection and control.

I, for one, shall stand fast in support of the position of our President in that posture, and I feel so will also the great majority of the American people.

PRICES AND THE RECESSION

Mr. President, I speak about our recession and the view that is held by some that only the Government can get us out of the recession.

I have been voting for all the things that we have been doing in Congress to help the Government fight the recession.

In spite of our efforts, however, there is still disquieting news.

I for one would urge the President to call a White House conference of management and labor to see what can be done to stabilize prices and to stabilize wages. That would be a surer way to help us get out of the recession.

This morning's news on the subject is not good. I have before me the New York Times which I read this morning, and no doubt other Members of the Senate have read the same news in other newspapers. I refer particularly to two articles in the New York Times, one of them headlined "Recession Eludes a Price Cut Cure." The subhead reads "Business Continuing Slack as Stores Are Caught in Steady-Cost Squeeze."

The second article is headlined "Lack of Backlog Depresses Steel."

I ask that both be included as part of my remarks.

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

LACK OF BACKLOG DEPRESSES STEEL—ABSENCE OF THIS MAJOR PROP SENDS PRODUCTION DOWN TO NEW-ORDER LEVEL

PITTSBURGH, March 30.—Steel order volume showed no improvement last week. With no backlog to help support it, steel production was receding to a point where it would meet the lower level of new business. As a result, the production rate has declined in recent weeks, despite some reports of stabilization.

Some observers inadvertently have confused steel production with new order volume. The latter has not changed much in several weeks. Bad news about steel mills shutting down was due sometimes to special cases, particularly the concentrating of tonnage at the most efficient plant and shutting down temporarily the least efficient unit.

Another practice has been to accumulate orders while a plant was shut down and to start up operations when sufficient tonnage was available. One large Detroit mill is following that method, and many smaller companies have been doing this for some time.

A major setback to the industry has been the lack of automotive steel orders. February and March were disappointing and little improvement is expected in April.

Part of this outlook on the automotive steel purchases stems from the effects of the labor talks under way and the heavy stocks of unsold cars. Even if there were to be an auto strike—and one can't be ruled out—a continuation of the lack of car sales would preclude any last-minute buying by auto makers as a hedge against a walkout.

The lack of support from auto companies puts the job of bolstering the steel industry on other types of consumers. For example, a seasonal pickup in construction is expected soon. But that may or may not raise production. It depends upon the volume of inventories and the amount of new construction and manufacturing.

Iron Age magazine points out that district steel sales offices are working much harder, and calls on customers are up 25 percent. But this has not increased the volume of new business.

RECESSION ELUDES A PRICE-CUT CURE—BUSINESS CONTINUING SLACK AS STORES ARE CAUGHT IN STEADY-COST SQUEEZE

(By William M. Freeman)

Business is slow but the retailer's usual remedy, a spoonful of price cutting, is not being used. The chief reason seems to be that the prices merchants pay are not only not coming down but are firm and showing signs of going higher.

A retailer's song of the blues usually can be changed to a happier tune by careful cutting of prices on slow-moving items. Some prices, notably on appliances that had been released from fixed-price minimums, have come down, but prices generally have not.

Retailers are paying distributors and manufacturers as much as ever for the goods they sell to consumers. The effect is to put the stores in something of a squeeze on food, furniture, clothing, appliances, automobiles and a host of other items.

CHEMISE STYLE A HELP

The latest report on department store sales, issued by the Federal Reserve Board for the week ended March 22, puts volume at 4 percent below the 1957 period. The latest week spurred by better weather, did considerably better, and merchants estimated that the period that closed Saturday would turn in rises of 12 to 15 percent for this year over the 1957 week for this area.

Sales should be considerably higher than a year ago, of course, since Easter is less than a week off. At this time in 1957 it was 3 weeks off.

Automobiles are moving slowly, and so are other consumer durables and soft goods. The chemise style, like it or not, is a major influence in building store traffic and sales. The women seem to like it. Without it, some store officials say, they would not care to think of what apparel departments would be reporting in the way of decreases from last year.

A sudden upsurge of tinted hosiery—violent pinks, greens, blues, aquamarines, orange, and several hundred other hues—also is helping to sell not only stockings but related accessories.

Consumers have the money to spend, if they care to, and presumably they could be induced to spend it if bargain prices are combined with selling, promotion, and advertising.

It is true that they are earning less money, with less for what the economists call discretionary spending, which is to say the amounts left over after food, clothing, and shelter are paid for.

At the same time, they are putting away more cash in banks and other financial institutions—credit unions, savings and loan groups, life insurance, home mortgages, and so on.

Personal income is running at an annual rate of $341,800,000,000, down $1,800,000,000 from the 1957 figure. The number of workers collecting unemployment benefits in the last week of February rose to 3,282,400.

SAVINGS NEAR RECORD

But, although money coming in is down and jobs are fewer and overtime is shorter, cash savings of all sorts are close to a record figure. The Federal Home Loan Bank Board put the total as of last December 31 at $262,109,000,000, a rise of $13,600,000,000 from the figure of a year earlier. Sources in the banking community say the current figure is probably even higher. The National Association of Mutual Savings Banks put the total of deposits in their 520 member banks at a record of $32,066,000,000.

The situation is made to order for price cuts, the traditional and sure-fire remedy for balky customers, the kind who are just looking instead of buying. Merchants know that price cuts bring trade, but except for scattered instances prices are not coming down.

The merchants are caught in a squeeze. Few prices of the things they buy are being lowered, and they cannot reduce the prices they charge without cutting into their markup. If they cut prices they lose their profit, a state of affairs that is not only distasteful but eventually would put them out of business.

They are looking for economies in distribution, in merchandising, in selling costs, even in promotion, wherever and whenever they can find them, so that prices can come

down at retail to make their wares more attractive. Their merchandise cost obstinately remains much the same, and there is little they can do about it, except wait, hope, and pray and bring pressure on suppliers.

INDUSTRIAL RATE LEVEL

The latest report of the National Association of Purchasing Agents, to be issued this week, notes little change in the published prices of industrial commodities.

There are some instances, however, of discounts from the list prices as a result of competition for scarce orders. Only 14 percent of the industrial buyers queried reported that they were able to buy the raw materials they needed for their manufacturing for less money than a month before.

Prices paid for farm products are sharply higher. The Agriculture Department reported late in the week that payments to farmers went up 4 percent in the month ended March 15. This was the sharpest increase for any month since February 1951. The index stood at the highest figure since May 1953.

However, lower Government support prices for the dairy industry, to go into effect tomorrow, will bring some decreases. The Jewel Tea Co. cut prices on butter late in the week 2 to 6 cents a pound, in anticipation of this action, in order to stimulate sluggish buying.

Dairy items are a lonely exception to the general upward trend. Fresh fruits and vegetables are up because of bitter winter weather, and the firmer prices also are spreading to new packs of processed and canned fruits and vegetables.

Spring warmth should ease prices a bit, but the winter's effect will be felt for some months. Concentrated frozen orange juice coming into distribution, for example, is not only higher in price but not as sweet as earlier packs.

Beef, pork and other meats are high, and, while warmer weather might bring some easing, they will continue for some time to be a major component in keeping the cost-of-living index high. Cereals and baked goods also are expected to continue to hold at high price levels.

As for clothing, new wage contracts in the dress industry should cancel out lower raw materials costs. However, no advance in prices of finished garments is looked for because of competition among the many manufacturers in the industry.

As for industrial prices, one important metal, aluminum, is coming down. Aluminium, Inc., the Canadian producer, announced late last week a cut of as much as 2 cents a pound on ingots, effective tomorrow. There has been intensive competition in the metal, which was in short supply until only last fall. Domestic producers will follow suit.

Steel, however, a leader, is continuing to hold its price levels, although some small companies are reported to be offering price inducements on small quantities.

Rents show no sign of easing, and all sorts of professional services—the doctor, the dentist, the lawyer—cost more. So, too, do hospital charges, laundry, cleaning, construction work, remodeling and a host of other day-to-day costs borne by Mr. and Mrs. Average.

Special sales produce responses, drawing cash out of savings, but there seem to be fewer of them. Caravan and warehouse sales, along with superspecial promotions, did especially well in this area in recent weeks. One fur sale, with spectacular markdowns, not only produced crowds of buyers, but had a healthy effect on other store departments.

The abandonment of the fair trade rules in the appliance field, in which dealers could not sell below retail prices set by the manufacturers, brought in substantial business.

Beyond this, there has been little cutting of prices. Merchants apparently reason that they could get business by this device, but the reduction would eliminate their profit, since their own merchandise costs are not lowered.

MAIL-ORDER REDUCTIONS

The big mail-order houses are putting some reductions into effect on their spring catalogs, and bargain-hunting buyers are responding.

Spiegel, Inc., cut many prices an average of 15 percent below the spring-summer catalog levels in an anniversary sale book. Montgomery Ward & Co. is cutting heavy appliances, among others, in a catalog due out next week. Sears, Roebuck & Co. will not have its book out until May, but meanwhile it has quietly begun a survey to ascertain where prices might be cut.

Catalog prices customarily run about 5 percent below charges for the same items in retail stores operated by the same concerns. These prices exclude mailing and other delivery charges, of course.

A reduction on these already low prices has had the expected effect of spurring trade sharply. Another factor causing such selling to gain, against the downward trend of retail volume elsewhere, is the fact that such sales are made chiefly to parts of the country little affected by the recession. Some suburban dwellers with little liking for a trip to the city or for parking are taking up buying from catalogs, too.

There is further trouble ahead for the merchants attempting to offer bargain prices. This is an upward trend setting in at the distributor level, making it even more difficult for him to offer any bargains.

The Sunbeam Corp., which makes the Mixmaster and other appliances long protected under fair-trade laws, added about 2 percent on some products in its distributor prices. It also added $1 to what it calls the suggested list prices, replacing the former fair-trade price. It cited higher costs in issuing the new schedule.

Observers in the Chicago area were inclined to think they spotted the beginning of a move to put pressure on suppliers to take the lead in lowering prices.

Carl A. Bimson, chairman of the Installment Credit Commission and president of the Valley National Bank, Phoenix, Ariz., told a credit conference of the American Bankers Association in Chicago recently that, over all, trade was holding up well.

SIGNALS DISREGARDED

He conceded that there had been a downturn in general business activity, with consumer durables suffering, but he insisted that the American consumer had not gone on a buyer's strike. He ascribed the sluggishness of trade to prices and possibly a sense of uneasiness regarding the national economy.

Carl E. Allen, president of the Federal Reserve Bank of Chicago, told the same group that rising prices at a time of declining business volume disregard the signals of our free-market system, and he warned that this may make Government intervention inevitable.

"Moreover," he said, "if Government intervention replaces price flexibility as the equilibrating mechanism, it could well be a death blow to our price enterprise economy. The upward spiral of prices imperils the economic strength of our country and threatens the survival of the America we have known.

William A. McDonnell, board chairman of the First National Bank of St. Louis, who recently was elected president of the United States Chamber of Commerce, takes the view that this recession will be cured primarily in the market place rather than on Capitol Hill.

"However," he said a few days ago, "Washington action can assist the private merchandiser." He suggested that the management-labor bargaining table was the battleground on which the wage-price spiral could be halted.

He noted that past recessions had been halted by price reductions that spurred buying and urged management to say to labor, in effect, "If you hold wages down, we'll do the same with prices and may reduce them as productivity increases."

Mr. JAVITS. Mr. President, I should like to point out that our American economy is not owned by a handful of economic Bourbons, but, instead, by millions of American stockholders, savings bank depositors, and holders of life insurance policies, and they are also the ones who must be protected from the effects of the business downturn. The public interest demands that consumption be attracted by price. Rigid prices will not help us in this situation. Economics tells us that the classic way to improve consumption is through price attractiveness. Therefore, I suggest that the President use his own influence in calling a White House conference as a sure-fire means of helping to solve the price-wage problems in which we find ourselves as soon as possible.

EXECUTIVE SESSION

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

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

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Clarence E. Harden to be postmaster at Tolono, Ill., which nominating messages were referred to the appropriate committees.

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

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). If there be no reports of committees, the nominations on the Executive Calendar will be stated.

UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of George Harrold Carswell to be a United States district judge for the northern district of Florida.

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

CIRCUIT COURTS, TERRITORY OF HAWAII—NOMINATION PASSED OVER

The legislative clerk read the nomination of John F. Dyer, to be seventh judge of the first circuit, circuit courts, Territory of Hawaii.

Mr. MANSFIELD. Mr. President, I ask that this nomination be passed over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

Mr. MANSFIELD. Mr. President, I ask that the President be immediately notified of the nomination confirmed this day.

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

LEGISLATIVE SESSION

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

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

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of Senators, the Senate will meet at 12 o'clock noon tomorrow and remain in session late, to consider the Fulbright communities facility bill, S. 3497. If action upon the bill is not completed tomorrow night, it is my intention, with the consent of the distinguished minority leader, to ask that the Senate convene at 10 o'clock a. m. on Wednesday morning.

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

Mr. MANSFIELD. I yield.

Mr. YOUNG. Can the Senator from Montana indicate when Calendar No. 1442, Senate bill 3120, relating to the exemption of the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, will be considered?

Mr. MANSFIELD. If that bill is in the list announced by the majority leader, it will be considered today.

THE ADMINISTRATION'S RESPONSE TO THE CHALLENGE OF THE BUSINESS RECESSION

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a joint statement issued by myself, as minority leader of the Senate, and Representative JOSEPH W. MARTIN, Jr., minority leader of the House of Representatives, which we released on March 30.

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

JOINT STATEMENT BY SENATOR WILLIAM F. KNOWLAND AND REPRESENTATIVE JOSEPH W. MARTIN, JR.

The Republican administration has responded to the challenge of the business recession by taking 50 separate actions to stimulate the economy in sensible, well-planned ways.

Some of the administration's program requires legislative ratification.

The steps taken to date by the administration involve accelerated Federal expenditures and other job-generating plans with a value of many billions of dollars. As the administration's actions make themselves felt across the Nation, the total dollar impact of the impetus will be immeasurable.

The character of the actions, detailed in the accompanying list, make it clear that money is being made available for things which the country has already determined it needs.

In many cases, it is just a question of spending now money we had planned to spend later or over a longer period of time. There is no leaf raking make work in the administration program. The actions are designed to create meaningful activity soon.

We have learned from the past of the ineffectiveness of slow-moving, massive public works as a solution of our economic problems. We are not going to waste years and billions again in a frenzied spending program which would offer no immediate assistance in the current temporary decline, but would mortgage our fiscal future.

Two things make it clear that there is no justification for any segment or section of the Nation to bog down in pessimism—either the real kind or the professional type being spread by many in the political arena.

The first is the substantial antirecession program already activated by the administration and the Congress.

The second is the knowledge that the administration is prepared to take more steps to stimulate the economy if future circumstances require further action.

ADMINISTRATIVE ACTIONS

1. Defense contracts accelerated to $13.4 billion in first half of 1958 as against $7.9 billion in last half of 1957. Calendar year totals: 1958—$23.6 billion; 1957—$17.8 billion.

2. Spending increased in Federal highway programs by $800 million over last fiscal year and plans call for additional increase of $600 million in fiscal 1959.

3. Acceleration of authorized civil works by $200 million in current fiscal year.

4. Federal Reserve discount rate reduced from 3½ to 3 percent on November 14.

5. Reserve requirement of Federal Reserve banks reduced one-half of 1 percent on February 20, thereby freeing additional $3 billion for lending.

6. Release of $107 million for additional purchase of military Capehart housing loans by Federal National Mortgage Association.

7. Additional $50 million in capital grant funds for urban renewal projects issued.

8. FNMA received additional $20 million for purchase of FHA insured loans for cooperative housing.

9. FHA-insured mortgage downpayments reduced.

10. Release of additional $200 million for use in FNMA's special assistance mortgage buying program.

11. About 60 Federal buildings programed for lease-purchase construction, requiring $105 million financing. If ordered by Congress for financing by direct appropriations $177 million would be appropriated.

12. Federal Reserve discount rate cut from 3 to 2¾ percent on January 21.

13. Rule requiring cash payment of FHA closing costs eliminated, in effect a further reduction of downpayment requirement.

14. More funds attracted to VA-insured mortgages by permitting increase in maximum yields allowed on VA loans traded in secondary markets.

15. Defense Department directed to funnel contracts to distressed labor areas and to small business generally. In February, $102 million in Federal contracts set aside for small business, twice the amount in February 1957.

16. Federal Home Loan Bank Board arranged longer term financing with home loan banks.

17. Army schedules award of $100 million in motor vehicle contracts in areas hit by automobile unemployment.

18. Speedup ordered in $1 billion worth of urban renewal loans and grants handled by Housing and Home Finance Agency.

19. Federal Reserve discount rate dropped from 2¾ to 2¼ percent on March 6.

20. Acceleration ordered in placement of $740 million in Rural Electrification Administration loans for electric facilities and telephones.

21. Federal Reserve again reduces reserve requirement by one-half of 1 percent on March 18, freeing another $3 billion for lending.

22. President orders speedup in $300 million in HHFA loans for college housing.

23. Urban renewal program speeded to 100 new projects in fiscal 1958 and 120 additional in fiscal 1959, compared to 56 started in fiscal 1957.

24. Military departments accelerate construction programmed before June 30 to total of more than $2 billion and expect to arrange financing for $500 million in Capehart housing loans. All Federal agencies directed to plan immediately for as many fiscal 1958 supply and equipment orders as possible.

25. Interior Department steps up general construction program by $25 million.

26. Acceleration ordered on $140 million in HHFA public housing loans.

27. General Services Administration given extra $8 million for general repair and improvement work.

28. REA given additional $12.5 million for loans.

29. Speedup ordered on $75 million in HHFA loans for public facilities.

LEGISLATIVE RECOMMENDATIONS

30. Permit Federal Government to assist States in 50 percent extension of unemployment benefits.

31. General supplemental appropriations of $1.2 billion, mostly for defense, requested.

32. Congress asked to authorize $2 billion, 3-year program of postoffice modernization and construction.

33. Area assistance program recommended for Federal aid to sections of the country experiencing persistent unemployment.

34. Additional $200 million requested for accelerated urban renewal program in year beginning July 1.

35. Army engineers' fiscal 1959 budget for civil works boosted by $125 million.

36. Congress asked to remove limit on life of Small-Business Administration.

37. A $2 billion increase in lending authority of Export-Import Bank requested. Bank to finance $625 million in shipments abroad in first half of 1958 with larger program due in last half of this year.

38. Congress requested to authorize $840 million speedup in general Government purchasing by June.

39. Congress asked to suspend expenditure limitations in Highway Act, so that additional $2.2 billion can be allocated for highway aid in calendar years 1958–1961.

40. Reclamation Bureau's 1959 budget increased by $46 million to maintain faster construction pace.

41. Congress asked to increase size of FHA loan insurance and to increase FHA total loan authorization by $3 billion per year for next five fiscal years.

42. Tax relief for small business proposed.

43. Acceleration of VA home loan program proposed through elimination of interest rate limitation.

44. Congress asked for additional $15 million for Agriculture Department watershed program in fiscal 1959.

45. Supplemental appropriation of $46 million for Federal hospital aid proposed.

46. Congress asked for $2 million supplemental appropriation for FHA to use in speeding processing of loan applications.

47. District of Columbia authorized to propose $100 million public works program, to be financed with Treasury borrowings.

48. Elimination asked of interest-rate limitation on FHA-insured loans for rental projects, cooperative housing and Capehart military housing.

49. Interior Department budget amended to permit early start on small reclamation projects.

50. Additional lending authority proposed for Small Business Administration.

THE ACADEMY AWARD TELECAST

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be printed in the RECORD a statement I have prepared on the academy award telecast.

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

STATEMENT BY SENATOR KNOWLAND

It may seem a bit obvious to emphasize what more than 70 million people in the United States and Canada already know, but I want publicly to praise the American motion-picture industry for its entertaining telecast of the so-called Oscar awards last Wednesday evening.

The annual academy award presentation is, I understand from the experts in the radio and television field, an eagerly awaited and greatly viewed program each year. It affords not only drama in the announcement of the winners as best actor, best actress, best picture and other achievements, but color and glamor as scores of the world's best-known personalities participate in the program.

This year the motion-picture industry, which is one of my State's best-known and largest business enterprises, outdid itself in two particulars. It put on the Oscar ceremony itself with no commercial sponsorship intervening, and it reemphasized the international penetration of the American motion-picture industry.

The best picture was one made in Ceylon and the best-actor award went to an Englishman, Alec Guinness who was the star of the best picture. The best-supporting actress award went to a little Japanese girl who won for her role in a picture largely filmed in Japan. The two top pictures were both made thousands of miles away in the Far East.

It is tribute to the thousands of theater owners throughout America that they urged their patrons to stay home and watch the televised Oscar program last Wednesday. This united industry effort to interest the American people in what the motion-picture industry is doing had the cooperation also of the Hollywood film colony.

Artists and talent who can command from $5,000 to $15,000 for a mere brief appearance on a television program, sang songs, participated in skits, acted as masters of ceremonies, and made announcements, all as their contribution to their own industry's noncommercial television program.

The motion-picture industry, from top to bottom, from those who put up the large sum of money necessary to stage and televise the program, to the actors and musicians who gave their services, is deserving of a hearty accolade for 105 minutes of enjoyable television entertainment.

PROPOSED EXTENSION OF THE EAST FRONT OF THE CAPITOL

Mr. HAYDEN. Mr. President, I am sure all my colleagues have noticed the informative editorials and articles which have appeared in the Washington Evening Star during the past several days relating to the east front of the Capitol. These articles and editorials are classic examples of the high standard of editorial policy and news reporting we have come to expect daily from this newspaper. In its stories, the Star has dealt with facts rather than fiction, with true illustrations rather than distorted, misleading sketches. I desire to express publicly to Editor Ben McKelway and to Star Staff Writer George Beveridge, my appreciation for their contribution to our knowledge of the subject. After reading their articles and studying the latest report of the associate architects, I am more convinced than ever that we should proceed immediately with this work, authorized by the Congress in 1955.

Mr. President, at my request, one of the editorials and four of the articles have already been printed in the RECORD. I now ask unanimous consent that the second editorial entitled "Get Going on the East Front" and the last two articles entitled "Gain, Not Loss, Seen in Capitol Extension" and "Capitol Job Would Give Badly Needed Space," appearing in the Star on March 27 and 28, 1958, be printed in the RECORD as a part of my remarks.

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

GET GOING ON THE EAST FRONT

It is likely that many Members of Congress have been misled by the sinister accusations and half-truths of the whipped-up "write your Congressman" campaign to save the Capitol from organized vandalism.

Undoubtedly many of them have been deluged by sincere protests from constituents back home. For their constituents have been told only half of the story, with deliberate suppression by the propagandists of the factual considerations underlying the carefully considered plan to extend the east front.

These have been set forth in the series of articles by the Star's George Beveridge, who was given full access to the reports and records of the distinguished commission of its own leadership set up by Congress to supervise and carry out the project.

The information contained in these articles and the personal investigation of the facts by Members of Congress who wish to reassure themselves ought to set the record straight. We hope so. For the work should proceed immediately, without further dilly-dallying.

Our Capitol is a beautiful, living building. We show elsewhere in today's Star some pictures that illustrate phases of its past growth. The east-front extension will bring it nearer completion, and years hence the House and Senate wings may also be extended, with other changes to preserve the grandeur of the structure together with its utility.

Understanding the reasons for what is being done, we believe their constituents back home will support the Members of Congress who have had the courage and imagination to do what should have been done years ago, and to save the Capitol from the deteriorating influences of misdirected sentimentality.

GAIN, NOT LOSS, SEEN IN CAPITOL EXTENSION

(By George Beveridge)

In the well-organized opposition campaign to extending the Capitol's east front, critics hurl bitter charges of vandalism, mutilation, and desecrations. Behind these epithets are two main arguments.

First, deeply rooted in sentiment, is the desire to preserve—as an exterior wall—the very stones and columns that were built to carry out the designs of the Capitol's early architects, Thornton, Latrobe, and Bulfinch. As the National Trust for Historic Preservation puts it: "The surviving original facade that epitomizes our earliest ambitions."

The second argument is more technical. It is cited mainly by architects. They say an extension of the east front 32½ feet forward would wreck the historic court between the House and Senate wings, and would cut off a view of most of the Capitol dome from a position in the court near the front.

RECKLESS WITH FACTS

In describing these changes, some critics get reckless with the facts. Pictures and drawings published by some newspapers, for example, indicate the front would be moved out as far as the two wings—twice as far as really is proposed. Some say the present sandstone front would be torn down and gouged out. Ralph Walker, a former American Institute of Architects president, refers to the front being moved out 40 feet or more.

These things are not true, and they are sore points with associate architects who have been working 2 years to learn the facts and plan the extension.

Many of the critics, however, have not distorted the facts, but have honest, emotional convictions that a precious piece of history is being lost.

To them, the Capitol architects point out that change is not new to the Capitol, that the real history of the Capitol is one of constant change, dictated partly by increased needs for space and partly by the desire to make the Capitol as architecturally perfect as possible. And they say the present extension proposal has precisely those same aims.

In the process of past changes, they say, a number of the basic features of the original Capitol designs have been altered and abandoned.

The original design of William Thornton, accepted by President George Washington as the Capitol pattern in the 1790's, had a small dome, a modest 8-columned portico, and a flush, ground-level portico entrance.

By 1800, the north half of the Capitol was occupied and the House side was rising. Under the direction of Benjamin Latrobe (Architect of the Capitol 1800–1811), a number of minor changes were made in the Thornton design, but for the most part it was a faithful reproduction. After the British burned the Capitol in 1814, reconstruction also largely followed the old pattern.

When Latrobe turned to the design of central portico, however, he deviated sharply from Thornton. By 1840, the result was a considerably modified Capitol, as designed by Latrobe and supervised by Charles Bulfinch (1815–29).

PORTICO DOUBLED

The portico, for example, was doubled in size and given 16 columns. The dome was changed somewhat, and small domes were added on each side. Steps, unplanned by Thornton, added to the monumental beauty.

The real change, however, was made by Architect Thomas U. Walter between 1851 and 1865, when the demands for space required construction of the House and Senate wings. But the wings, Mr. Walters noted, completely overpowered the tiny dome of Thornton (as modified by Latrobe and Bulfinch), and he replaced it with the massive cast-iron dome which gives the Capitol its present appearance.

Just as Mr. Walter saw that the old dome was architecturally wrong, however, he saw that the big new dome violated architectural principles of balance by appearing to overhang the front. While the dome itself rests solidly on the main building, the dome's lower columns and painted iron skirt actually extend out over the portico roof and the skirt is supported by the roof. The Capitol's west front, meanwhile, extends far beyond the dome on the other side, increasing the appearance of imbalance. While he never argued that there was danger the dome might fall, it looks as if it might. And that, Mr. Walter said, is wrong.

EXTENSION PROPOSED

To correct the error, Mr. Walter proposed extending the east front, and every Capitol architect since has followed suit. Except for economy measures during the Civil War, the

extension may well have been carried out in the 1860's. But it wasn't. And by the turn of the century, it was steeped in controversy.

As late as 1915, however, the east front's massive standstone steps were removed and replaced with concrete steps.

The architects who favor the extension today say that the east-front change is far less drastic than the major Capitol changes of the past. In fact, they say, the new front is hardly a change at all, but would reproduce the old in every detail.

They say it is their professional judgment as architects—some other architects disagree—that the change would be evident to no one but experts.

The proponents recognized that these arguments are not a total answer to those who want to preserve the old front. These people, largely for reasons of sentiment, want to be able to see, with their own eyes, the very stones that were laid under the direction of Latrobe and Bulfinch.

ANSWERS GIVEN

What are the answers to this desire? The Capitol's associate architects cite these:

Deterioration already is eating away details of the work of the early architects. If nothing is done to the front, this will continue. And if the front is refaced at its present location, the old stone will be gone as completely as with the extension.

An exact reproduction of the front in marble actually will restore the visual detail of the early ornamental sculpture, much of which now is dulled and hidden under numerous coats of paint.

A good bit of the present front would be retained as an interior wall of the extended portion. The portico, and possibly the balustrade at the top of the front, would have to come down; but most of the wall would be retained and visible, not gouged out, torn down, or thrown away. Possibly, officials say, the portico might be reerected in a museum for preservation.

What about the chances that the court will be destroyed, and the classic view of the dome eliminated?

WORRIES RESOLVED

Roscoe DeWitt, one of the Capitol's associate architects, said this question also seriously bothered several of his colleagues when studies of the extension began 2 years ago. But the extension plans as developed, he said, have "wiped out these concerns."

The two features which give the east-front court its distinction, Mr. DeWitt says, are the columned, recess "necks" between the east front and the House and Senate wings, and the fact that the portico sits behind the front line of the wings.

Both these features will be preserved. New columns will stand in the recessed areas. And the bottom of the new portico steps would be 40 feet behind the steps of the wings.

"I think that if people could understand we propose to do these things, that much of the sting would be removed from the charges we're hearing," Mr. DeWitt said.

Extension opponents have made much of a report submitted last year by a top-level panel of the Capitol consultants, which said the House and Senate wings also eventually should be moved out 32½ feet, eventually restoring the same relations that exist between the center and the wings today. In citing this, however, opponents do not stress the word "eventually," and do not mention that the consultants have approved the central extension now.

VIEWPOINT IN 1904

Dipping 54 years into history, opponents also challenge assertions that Carrere & Hastings, a distinguished architectural team which studied extension proposals in 1904, really favored a 32½-foot extension. Opponents quote one Carrere & Hastings report which says the front should be moved no more than 12½ feet. Proponents, however, cite another which calls the 32½-foot extension an "excellent second-best plan."

A number of opponents want to preserve the front as the scene of the inauguration of every President since John Quincy Adams. It's a small point, but for the record there have been eight Presidents since Adams who were not inaugurated at the east front.

What about the view of the dome?

From the bottom of the portico steps today, a visitor who looks straight up can see nearly all the dome. It is true, as critics claim, that the visitor who looks up from the extended steps would see far less, because the top of the portico would block part of the dome.

The architects have computed that precisely the same view could be seen after the extension, however, from a point only 55 feet away from the new steps—at the near edge of the main parking area on the plaza. It is from this distance, or considerably farther away, that most pictures of the east front are taken, even now, because very close views appear distorted.

But no amount of talking will end the controversy over the appearance of the dome. Architects have argued it for over half a century and—extension or not—it is not likely they will stop. Here are a few examples:

Mr. DeWitt: "The overhang of the dome is a very real defect, and the need for its correction cannot be stressed too strongly. To the west * * * there is a great mass of building, to the east, nothing, so that the dome appears to teeter on the edge. This is bad architecture."

Lorimer Rich, New York architect: "We have here one of the most satisfying architectural compositions in the world. You get a feeling here which is unusual and unique that you get with no other dome structure in the world."

John Russell Pope, architect (in House hearings, 1935): "I think the criticism (of the dome overhang) is very well justified, because the dome comes down on the central motive, which is the principal motive of the facade, in such a way as to crush it, and, therefore, to reduce its importance as the entrance to that building."

Leicester B. Holland, former Director of Fine Arts, Library of Congress (in Senate hearings, 1937): "The dome gives the impression of springing not from the roof of the building but from the ground itself * * * it is really a very masterful composition."

Extensive testimony on the east-front issue was held in both 1935 and 1937. Both years, the Senate passed legislation authorizing the extension, but the House killed it.

In reply to charges that the present extension legislation was pushed through in secrecy, without public hearings, Architect of the Capitol J. George Stewart cites the old hearings, and says their records have been made fully available to Congress. He says, also, that little has been added to the old controversy over the years that would throw new light on the issue.

Indeed, part of a summation of the public hearings given by Architect of the Capitol David Lynn in 1935 could serve almost equally as well for the hearings held a month ago in the Senate.

CITES OBJECTIONS

"Within the past few weeks," Mr. Lynn said in 1935, "opposition has been voiced to the proposed change on the grounds, first, that it would destroy the historic character of the building by replacing original work with a copy; second, that the building is already a beautiful one and that the change would injure its architectural appearance * * *. These objections may be answered as follows:

"The oldest portions of the building are not now 'original' work in the sense in which the term is used by archeologists. It is already in large part a copy. To reproduce the original design in marble would preserve all that is valuable in historic and sentimental associations and would give the building a longer and more useful life.

"The question of the relative architectural merit of the building as it stands now and the building as it would appear if the front were extended is one in which the mass of expert testimony is in favor of the change. The architects who testified in favor of it are men of high standing in their profession. Most of them are accustomed to designing large buildings, and are giving their opinions as a result of real knowledge and study instead of a perfunctory examination of the building and a superficial knowledge."

CAPITOL JOB WOULD GIVE BADLY NEEDED SPACE

(By George Beveridge)

Some of the most confusing arguments against extending the Capitol's east front crop up when opponents talk about the provision of new Capitol space, and what it will cost.

One of the opponents' persistent charges, for example, goes like this:

The $10.1 million cost of moving the east front 32½ feet forward would provide a thin sliver of 44,930 square feet of new usable space, and this represents a cost of about $200 a foot. This, they say, compares with a cost of between $20 and $30 a foot for the United Nations Building in New York.

OTHER FACTORS

Now at first glance, this reasoning seems clear—you divide 44,930 into $10.1 million and you get a cost of more than $200 a foot.

But some of the main points this simple bit of arithmetic ignores completely, the associate architects planning the extension point out, are that:

1. The 44,930 square feet of space cited are specifically for offices, committee, conference and dining rooms, supply and file rooms and kitchens. But another 41,873 square feet of space is provided for wide corridors, storage, and mechanical areas and other purposes. And the total of these two is a sliver, almost one-seventh of the entire Capitol today.

2. The implication is that the sole benefit and purpose of the extension is to provide space. Actually, the architects note, the $10.1 million's equally important purposes are to carry out the controversial, century-old completion of the architectual composition of the Capitol, and to replace the old, deteriorating sandstone facade with one of enduring marble.

HALF FOR EXTERIOR

3. About half the entire $10.1 million is in the exterior extension of the building, with no regard for interior improvements and requirements.

4. Another $1.8 million of the $10.1 million is for related improvements within the main Capitol building—not the extended front—and to provide a 10 percent "contingency margin" for the whole project.

5. A great part of the new east front's interior expense is required to maintain the classical character of the Capitol, with its wide corridors, arched ceilings, cornices, wainscots, columns, and ornamentation. These requirements, the architects say, are so far removed from the construction of a modern, functional office building that cost comparisons are ridiculous.

The architects concede that space—if that were the only matter involved—certainly could be provided somewhere else for less than $10.1 million. But it isn't the only matter involved. And Congress specifically

has directed that the additional Capitol space it wants be provided in the long-planned east front extension.

ANOTHER APPROACH

In a report to House Speaker RAYBURN, chairman of the Congressional commission directing the extension, the associate architects also use an arithmetic approach to answer their critics on the costs of space. It goes like this:

Suppose, they say, that the east front simply is reproduced in marble at its present location, and is not extended at all. That alone, they say, would cost more than $4,750,000. So subtract this amount from the $10.1 million because it would have to be spent in any event if the old front is reproduced in marble. Then also subtract the $1.8 million for contingency items and for the improvements proposed in the main central part of the Capitol.

That leaves $3.5 million as the amount estimated for all the interior work within the extended east front.

"Thus," their report says, "for $3.5 million—the amount allocated for items not involved in a refacing program—the Congress can, without danger to the building, come into possession of 78,500 square feet of net usable floor area, of which 45,000 square feet is choice office, committee, and dining space.

At a cost of $3.5 million, 78,500 square feet of space figures to a cost of less than $45 a foot, a price comparable to similar space in the new Senate Office Building.

SOME DENY NEED

This line of reasoning, of course, is based entirely on the assumption that the east front will be reproduced in marble, regardless of extension. And some extension opponents contend no such reproduction is necessary. Other opponents, however, have suggested it. And the architects hired to plan the extension insist that something drastic must be done to preserve the east front facade, and soon.

What is the need for additional space in the Capitol?

In a report to the extension commission last year, Capitol Architect J. George Stewart said studies showed a need for 139,250 square feet of new usable net space, of which 78,500 would be provided in the east extension. The architectural consultants proposed that the rest be provided in an extension of the west front, as part of a suggested long-range program of Capitol improvement.

The space estimates, it was understood, largely reflect the views of present occupants of the Capitol about expansion needs. On this basis, although officials won't say so, it is possible that some of the needs have been overstated. But there is no doubt that a considerable amount of new space is needed as is evident from overcrowded conditions in virtually every office, committee room, and dining area.

SUGGESTIONS OFFERED

Two suggestions made by the extension opponents are that (1) some activities might be moved from the Capitol and that (2) all additional space needed could be provided better in a west-front extension.

As to the first, Capitol sources say those who suggest moving out any significant number of activities have little practical knowledge of the workings of Capitol Hill. It is essential, for example, they say, for such big space-users as the Appropriations Committee to be near the House and Senate floors. During most of the session, the staffs of these committees are subject to constant, hurried calls from Members.

Likewise, it is essential that the leaders of both Houses have offices near the Chambers. Many of the other activities are located in the Capitol specifically for the convenience of Members, and it is highly unlikely that these would be moved.

What about the proposal that new offices and restaurants be provided on the west front, instead of the east?

DETERIORATION CITED

In the first place, the associate architects say, this would not solve the problem of the east front's deterioration, or carry out its long-planned architectural completion.

In the second place, they say, it is unlikely Congress would approve the more expensive west extension at this time, even though they propose it be done eventually.

And in the third place, they say, a west extension could not function adequately until still other long-range improvement proposals are carried out. Included are proposals which call for underground parking and access lanes beneath the east plaza.

Today, for example, all the dining areas are on the east, and they are serviced by ground-level elevators at the east front, where trucks can drive up to deliver food and cart away refuse. At present, however, there is no vehicular access to the west front. So if all restaurants were located on the west, as some groups suggest, there would be no way to have supplies delivered and carried away—in the absence of underground access.

SCHEME C AWAITS

Along with the east front extension, proposals for the west extension and the underground network were lumped together in a long-range program by the consulting architects, which they called scheme C.

It was understood that some members of the architectural consulting team have felt strongly that the entire program should go ahead as rapidly as possible. Thus far, however, the Rayburn commission has approved nothing beyond the east front extension, and Chairman Rayburn has said he wants to see that carried out before other needed improvements are tackled.

What space would the east front extension really provide?

Mr. Stewart and his panel of associate architects say final decisions have not been made either as to the layout of rooms and offices or their specific use. Final decisions will be made by Mr. RAYBURN'S office on the House side and by the Rules Committee on the Senate. But here is a general description of the new space:

The basement will contain mainly storage space, corridors and kitchen facilities. The street floor will have conference rooms, offices, a front corridor and two new dining rooms, seating 115 people each and supplementing 722-capacity dining rooms already on the east. The principal floor will be devoted mainly to committee rooms and offices. And the gallery will have subcommittee rooms, offices and a through-corridor to connect the House and Senate wings.

PROJECT GETS COSTLIER

The architects who have spent 2 years studying the east front extension have only one more thing to say about costs—and that is to look at history.

In 1904, when a Congressional commission first was set up to study the extension, its cost was estimated at $1.5 million.

In 1935, Architect of the Capitol David Lynn put its cost at $3.5 million and, in 1954, at $7.5 million.

Today, it stands at $10.1 million.

All these estimates, the architects say, are based on comparable improvements. What level will they reach, the architects ask, if the long-planned extension is put off for another few decades? And how tax money will be spent in the meantime on fruitless, stopgap efforts to halt deterioration?

VISIT TO THE SENATE BY THE HONORABLE W. McL. ROBERTSON, A MEMBER OF THE CANADIAN SENATE

Mr. KEFAUVER. Mr. President, I should like to introduce to my colleagues in the Senate a very distinguished visitor from the neighboring Dominion of Canada. I am very pleased to introduce Hon. W. McL. Robertson, a member of the Canadian Senate.

[Applause. Senators rising.]

Mr. JAVITS. Mr. President, I am delighted to greet Senator Robertson. He is well known to me from our work together in the NATO parliamentary group. I am delighted to welcome him to the Senate.

GERMAN-JAPANESE WAR ASSETS

Mr. JOHNSTON of South Carolina. Mr. President, at this time I request the indulgence of the Senate in order that I may refer to a very, very important matter which has come from the administration. Inasmuch as I have been very active in this regard, I ask unanimous consent that at this time I may proceed to address the Senate for 5 minutes.

The PRESIDING OFFICER (Mr. COTTON in the chair). Is there objection? The Chair hears none; and the Senator from South Carolina is recognized for 5 minutes.

Mr. JOHNSTON of South Carolina. Mr. President, on numerous occasions I have given my views on the question of the return of privately owned enemy assets which were seized by our Government as a wartime, precautionary measure. I have always contended, and I still strongly believe, that we are morally and legally committed to return this property to its rightful owners now that we are in friendly alliance with the governments of the nationals concerned. We are likewise definitely obligated to compensate American citizens who have legitimate war damage claims as yet unresolved.

Mr. President, we are not concerned with the property of the Hitler or Tojo governments; we are not concerned with the property of convicted Nazi or Japanese war criminals; we are concerned only with the property of individual German or Japanese citizens, who, prior to World War II, had enough faith and confidence in our system of government to invest some of their earnings in our country. Our Nation has earned the reputation of being a protector of private property. Are we now to let this group of private investors down and tell them, in effect, that we will confiscate their property just as a Communist dictator would repay their trust?

The Office of Alien Property has under its control certain properties of American citizens which are still termed "enemy assets." This property represents interests in estates and trusts. In most cases, the principal of these trusts is now, and always has been, here in the United States, invested in American securities, earning interest and dividends, and paying its share of United

States taxes. In this category of property owners we have a number of former enemy nationals who have become citizens of the United States since the vesting of their property. Yet we are still holding their seized property as if to infer that we must still treat them in this respect as enemies—in other words, not full citizens. In all instances, whether or not the rightful owner of an estate or trust property has become a United States citizen, we are thwarting the wishes of certain United States citizens who, through hard work and diligence, were able to bequeath this property to their heirs who were foreign nationals. I cannot believe we are carrying out the intent of our laws on this subject by such confiscation.

Various agreements and policies dealing with vested assets were adopted immediately after World War II—during the time of great emotional stress—which, when examined in the calmer atmosphere of today, are completely out of line with our foreign and domestic policy in this and related fields.

Mr. President, we have returned the vested assets which formerly belonged to Italian nationals; we are returning seized property to Hungarian, Bulgarian, and Rumanian citizens. Why, then, should we continue to hold the private property of certain citizens of Germany and Japan—and even citizens of the United States?

We understand that many of the owners of vested assets are hardship cases. Think of the good will toward the United States which could be gained by returning to these people their property. How can we explain the conflicting situation of our Government giving approximately $2 billion to Germany in economic aid since World War II, and at the same time continuing to hold property belonging to individual German citizens—property valued at only a fraction of the total amount spent in postwar aid?

The PRESIDING OFFICER (Mr. COTTON in the chair). The time of the Senator has expired.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that I may have 1 additional minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. JOHNSTON of South Carolina. Mr. President, as to the other equally important part of this program, we must not further delay compensating our own citizens who suffered physical injury or property loss or damage as a direct consequence of the military action of Germany or Japan. Many of these claimants are also well advanced in years, and many are in financial need. We will have to resolve these claims very soon indeed if the original claimants are to derive any personal benefit from this program.

I was encouraged last July by an announcement from the White House that the question of the disposition of vested assets and the payment of American war damage claims was receiving further study, and that a new proposal would be submitted to the Congress which would reflect the latest thinking of the administration on the subject. Last Friday I received from the Department of State a copy of the administration's new proposals in the form of a letter, with an attatched memorandum, addressed to Chairman of the Committee on the Judiciary. I shall ask that this letter and memorandum be printed in the RECORD at the conclusion of my remarks.

Mr. President, I am hopeful that we can find the solution to these complex problems during this session, and return our Nation to its former firm policy of protecting private property, even in wartime, and thus enable us to fight on all fronts the Communist practice of confiscation.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter sent by the State Department to the Senator from Mississippi [Mr. EASTLAND], and also a copy of a statement entitled, "Vested German Assets and Payment of American War Damage Claims Against Germany," dated March 17, 1958.

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

MARCH 28, 1958.

The Honorable JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, United States Senate.

DEAR SENATOR EASTLAND: There is submitted herewith an administration proposal designed to provide the basis for a solution to the long unresolved problems of vested German assets and of the war damage claims of American nationals against Germany arising out of World War II.

Proposals offering a solution to these problems were submitted on behalf of the executive branch to the 84th Congress and to the first session of the 85th Congress. These have received consideration in your committee and in the House Interstate and Foreign Commerce Committee, but no legislation regarding them has as yet been enacted.

Although provision has been made for dealing with war claims of American nationals against other former enemy states, no provision has been made by the United States Government for war claims of American nationals against Germany except those of prisoners of war, and merchant seamen. In addition, the vesting program has imposed hardships on numerous German nationals who had small properties in this country prior to World War II and it appears desirable, in the interests of our relations with Germany, to take action to alleviate these hardships.

The German Federal Government has on a number of occasions indicated to this Government its hope that legislation could be enacted on the subject of the return of vested assets. It has welcomed the $10,000 return program heretofore proposed by the executive branch. At the same time, it has expressed the hope that it would prove possible to go beyond the limited return contemplated in the administration's previous proposals. The subject was last raised with the President by Chancellor Adenauer on the occasion of his visit to Washington in May of last year, as a result of which a new study of the problem was undertaken by the administration. An announcement was made by the White House in July of 1957 that supplementary proposals regarding these matters would be submitted to the next session of Congress. The objective to be sought was the payment of all legitimate American war claims against Germany and an equitable monetary return to former owners of vested German assets.

It would obviously be desirable to arrange a final settlement of the unsatisfied claims of American nationals against Germany for World War II losses. It would also be in the interest of our relations with the Federal Republic of Germany to achieve a final and mutually satisfactory solution to the problem of vested German assets. What can be done in both instances depends essentially on the determination of what funds can be made available.

Pursuant to various agreements which the United States has entered into over a period of time (the Paris Reparation Agreement of 1946, the London Debt Settlement of 1953, and the Paris Agreements of 1954), the proceeds of vested German assets constitute the only presently existing funds available for payment of American war claims against Germany. Under the terms of the agreements to which I have referred, the United States Government has agreed not to seek compensation for such claims for the German Federal Government. These latter two agreements followed the policy expressed in the War Claims Act of 1948 under which the proceeds of vested assets were to be devoted to the settlement of American war claims.

While it is difficult to give any firm figure either of the amount of claims which might be filed or the amount which after due examination would be actually allowed, the Foreign Claims Settlement Commission has recently estimated that a reasonably adequate program for the payment of the war damage claims of American nationals against Germany could be carried out within the limits of $100 million. The cost of a return of up to $10,000 to natural persons who were former owners of vested German properties would be approximately $50 million. Thus at least $150 million would be necessary to implement a program for the payment of legitimate American war damage claims and for a $10,000 return. Sums beyond this total would be required to complete an American claims program, should $100 million prove inadequate for this purpose, and to provide an equitable monetary return to all former owners of vested German assets not receiving a full return under the $10,000 program, including corporation.

Proceeds from vested assets are presently available in the amount of approximately $83 million according to the Office of Alien Property. This is manifestly not enough to cover an American claims program and the $10,000 return program. Ultimately some further funds might become available from reserves totaling $179 million now maintained by the Office of Alien Property for litigation and claims payable out of vested assets under existing legislation. The most substantial reserve is that of $100 million for the General Aniline & Film litigation.

As a result of the pooling of vested German and Japanese assets for the purpose of paying these claims provided for in the War Claims Act of 1948, a sum of approximately $125 million deriving from German assets was in effect used to pay claims against Japan. In order to secure a final and equitable settlement of the claims and assets problems the Administration is prepared to seek from the Congress an appropriation of $100 million for a claims and assets program, as a restoration of a substantial part of the former German assets used to pay American claims against Japan. The Administration would not be prepared to seek an appropriation beyond this amount for this purpose.

The presently available proceeds from vested assets ($83 million) together with the restoration of a substantial part ($100 million) of the former German assets used to pay claims against Japan would make $183 million immediately available for a program for the payment of the claims of American nationals against Germany and for an equitable monetary return of vested German assets to their former owners. The total estimated cost of an initial American claims program and a $10,000 return to former individual owners would be approximately $150

million leaving about $33 million for the settlement of any unpaid awards to American claimants and, to the extent not required for those awards, for pro rata distribution among the former owners of German properties, with the prospects that some further funds might eventually become available from vested assets as reserves are liquidated. If the payment of legitimate American claims in full required less than $100 million, a further sum would then become available for distribution among the former owners of German properties. It is believed that if funds are made available in this order of magnitude a final settlement can be reached which will take into account, and provide a fair and equitable treatment of the interest of, both the American claimants and the former owners of German properties. It is believed that if funds are made available in this order of magnitude a final settlement can be reached which will take into account, and provide a fair and equitable treatment of the interests of, both the American claimants and the former owners of German properties.

It is not intended that this recommendation include vested Japanese assets with respect to which the existing circumstances are substantially different. It appears that the value of vested German assets exceeds the amount of American war claims against Germany which have already been paid or which would appropriately be paid out of the proceeds from such assets. On the other hand, the amount of American war claims against Japan which have already been paid by the United States Government exceeds by far the value of the vested Japanese assets.

In accordance with the above, it is recommended on behalf of the administration that the Congress give favorable consideration to a solution of the problem of vested German assets and the World War II damage claims of American nationals against Germany which would: (1) authorize the setting aside of $100 million for the payment of such legitimate American claims; (2) authorize a return of up to $10,000, as a matter of grace, to natural persons who were former owners of vested German properties; (3) provide that the remaining funds from vested German assets, and any sums realized in the future from vested German assets, which are available after the requirements of the $10,000 program are met, be used first to complete the compensation of American war damage claimants in full in the event the initial fund of $100 million proves insufficient and, second, to effect a pro rata return, as a matter of grace, to the former owners of vested German properties not receiving a full return under the $10,000 program; (4) provide that if the $100 million fund is more than sufficient for the satisfaction of American war damage claimants in full, the remaining balance be included with the funds from vested German assets devoted to the pro rata return. It is further proposed that this program be financed from the proceeds of vested German assets, including presently reserved assets which may in the future become free of claims, litigation, or other present obligations, supplemented by an appropriation of $100 million, representing a substantial part of the proceeds from German assets used for the payment of American claims against Japan. This program contemplates the expeditious liquidation of vested properties.

In connection with the proposed return, it may be noted that the Federal Republic of Germany has been informed of the United States view that such a return should not be regarded as a precedent with respect to other allied countries.

The legislation should give the administration discretionary authority to work out with the German Government arrangements with regard to the return of vested assets which would, to the maximum extent possible, relieve the United States Government of the burden of administration. The returns of up to $10,000 would be made by the United States Government, with maximum German assistance. The pro rata returns in excess of $10,000 might be dealt with on a lump sum basis, depending upon what arrangements could be made with the German Government. Returns to former owners who are now American nationals in all instances should be made directly by the United States Government. In other respects, such as the provisions relating to copyrights, trademarks, property subject to agreement with other countries, war criminals, and the coverage of the claims program, the legislation should follow the lines of previous administration proposals. In addition, provision should be made for the divesting of unliquidated interests which the United States still holds in estates and trusts so that there can be terminated the continuing participation of the United States for an indefinite period in the administration of these estates and trusts.

Almost 13 years have passed since the end of the war. It is essential that action be taken promptly if many of the original American claimants, and the original owners of German vested properties are to derive during their lifetimes any of the benefits which a solution of these problems would afford. The program outlined above would provide, at long last, compensation to American citizens for losses and damages suffered during World War II and attributable to Germany. In addition it would resolve a troublesome problem in the field of our foreign relations and would strengthen our ties of friendship with the Federal Republic of Germany.

I respectfully request that early consideration be given to the enactment of legislation embodying the program outlined above. A similar letter is being sent to the chairman of the House Interstate and Foreign Commerce Committee.

There is enclosed a statement of the events and legislative background leading to the recommendation of this program.

The Bureau of the Budget advises that the above proposals are in accord with the program of the President.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary
(For the Secretary of State).

MARCH 17, 1958.

VESTED GERMAN ASSETS AND PAYMENT OF AMERICAN WAR DAMAGE CLAIMS AGAINST GERMANY

By the first War Powers Act of December 18, 1941, Congress amended the Trading With the Enemy Act of 1917 to grant the President extensive powers to vest assets in the United States owned by foreign countries or their nationals. The 1917 act already contained provisions for the return of such of the property to be vested as might ultimately prove to be owned by nonenemies. However, neither the 1917 act nor the 1941 act provided for the disposition of World War II vested assets finally determined to be owned by enemy governments or their nationals. That matter was left open.

Early in 1942 the President created the Office of Alien Property Custodian as an independent agency and delegated to the alien property custodian the power to vest property other than securities, cash, and credits. In June 1945, the custodian's vesting power was expanded to include German and Japanese-owned securities, cash and credits. As a result, substantially all the German and Japanese assets known to be in the United States as of December 7, 1941, were vested by the custodian or by his successor, the Attorney General.

In January 1946 the United States and 17 allied nations other than the Soviet Union and Poland executed the Paris Reparation Agreement whereby they agreed upon the division of the limited German assets in kind available to them as reparation from Germany, including German external assets located within the respective signatory countries. The 18 Allies agreed to hold or dispose of these external assets in such a way as to preclude their return to German ownership or control. This program was formulated in light of the allied experience after World War I when the attempt in effect to exact reparation from Germany's current production failed and led to Germany's default on its obligations. Moreover, it was clear after the end of World War II that the United States would have to provide major assistance to Germany to prevent disease and unrest. This country, therefore, favored measures which would limit Germany's World War II reparation to its external assets and other assets in kind, thus relieving Germany of reparation payments from current production and avoiding the indirect financing of reparation by the United States. The Paris Reparation Agreement met this objective.

In 1946 Congress enacted section 32 of the Trading With the Enemy Act authorizing returns of vested property to persons having merely technical enemy status and to enemy nationals who were persecuted by their own governments. In the same year, Congress added section 34 to the act, providing for the payment of prevesting debt claims of Americans against enemy nationals whose property was vested.

By the War Claims Act of 1948, Congress added section 39 to the Trading With the Enemy Act, providing that German and Japanese assets not returnable under section 32 should, after the payment of debt claims therefrom, be retained by the United States without compensation to the former owners. In addition, the War Claims Act of 1948 gave priority to the use of the net proceeds of liquidation of this retained property for the payment of compensation to American civilian internees of the Japanese, to American servicemen captured by the forces of Germany, Japan, and other governments which failed to provide adequate subsistence as required by the Geneva convention and to certain Philippine religious organizations which had rendered aid to American personnel. This act did not provide for the payment of war claims of Americans arising out of war-caused property damage but authorized a study of the problem. The Attorney General has advanced a total of $225 million from the proceeds of vested assets for purposes of the War Claims Act of 1948. Thus that act constituted a Congressional disposition of the German and Japanese assets vested under the Trading With the Enemy Act during World War II. Furthermore, that act, in effect, gave confirmation to the reparation program set forth in the Paris Reparation Agreement by devoting German external assets to the satisfaction of certain American war claims.

The Bonn Convention of 1952 for the Settlement of Matters Arising out of the War and the Occupation, between the Federal Republic of Germany and the United States, Britain, and France, also affirmed the policy of the Paris Reparation Agreement. In that convention the Federal Republic of Germany agreed to compensate its own nationals for their loss of external assets by these vesting and other action of the Allied Powers. For their part, these countries gave the Federal Republic a commitment that they would not assert any claims for reparation against its current production. These provisions of the Bonn Convention were carried forward and approved in the Paris protocol of 1954 which was approved by the Senate April 1, 1955, and came into force on May 5, 1955.

On July 17, 1954, Chancellor Adenauer wrote to the President to enlist his support for legislation which had been introduced in Congress for the general return of vested

German assets. The Chancellor referred to the hardships suffered by many of the German individuals whose property had been vested. He mentioned old people, pensioners, and beneficiaries of insurance policies and inheritances, in particular, and urged that alleviation of these hardship cases would make a considerable contribution to furthering the friendship between the peoples of the United States and Germany. The President's reply of August 7, 1954, referred to the fact that the Allied Governments decided to look to German assets in their territories as a principal source for the payment of their claims against Germany. The President expressed sympathy with individuals in straitened circumstances in Germany for whom the operation of the vesting program in the United States has created particular hardship. He pointed out that American nationals who had suffered losses arising out of the war had received no compensation also with resultant hardship in many cases. Finally, the President stated that although none of the bills then pending in Congress with regard to the return of vested assets had the approval of his administration, the problem was receiving earnest consideration and he hoped that a fair, equitable, and satisfactory solution could be achieved. The matter was also raised by Chancellor Adenauer with the President during the former's visit to Washington in October 1954, and conversations between representatives of the two Governments were agreed on.

As a result, the executive branch formulated a plan which was subsequently incorporated in a draft bill submitted to the 84th Congress. Prior to the submission of that bill, representatives of the United States and the Federal Republic of Germany discussed the matter of vested German assets and the related problem of American war claims against Germany. During these discussions representatives of the Federal Republic of Germany were informed that the executive branch would recommend a limited return of vested assets to natural persons up to a maximum of $10,000 as a matter of grace for the purpose of alleviating the cases of hardship caused by vesting. The United States representatives pointed out that this action would result in a full return to approximately 90 percent of the former owners whose property had been vested and would achieve the equitable solution sought by the President. The United States representatives expressed the hope that in addition to relieving hardships of an appreciable number of German people, this action would serve to make even more secure the ties between the United States and Germany. The representatives of the German Federal Government expressed the hope that the proposed return would subsequently be followed by a wider program. They were informed, however, that the administration did not envisage a broader return than was contained in the prepared recommendation.

At the time of the submission of the administration proposal in 1955, it appeared that between $50 million and $60 million might be realized from the liquidation of German and Japanese assets, over and above the amounts which had already been paid into the war claims fund pursuant to the War Claims Act of 1948, as amended, and the amounts required to pay claims which might be asserted under the Trading With the Enemy Act. It was then calculated that a return of up to $10,000 to former individual owners of vested German and Japanese assets would require approximately $60 million. There was therefore need for finding some arrangement for financing the payment of claims of American nationals against Germany if any measures of partial return of vested assets were to be contemplated.

As a result of the pooling of vested German and Japanese assets for the purpose of paying those claims provided for in the War Claims Act of 1948, it was then estimated that the sum of approximately $100 million deriving from German assets had in effect been used to pay claims against Japan. This use of German assets to pay claims against Japan thus drastically reduced the funds which would otherwise have been available at the discretion of Congress to pay American property damage claims against Germany. It was therefore proposed that the sum of $100 million be restored from governmental funds to pay war claims against Germany.

The subject of the disposition to be made of the vested assets and of American claims against Germany was again considered by the administration in the early part of 1957. At that time it appeared that larger sums would be available from the liquidation of assets than had previously been estimated. It was calculated that the sum of $108 million was immediately available and that a substantial additional amount might become available out of funds held in reserve against unresolved claims, litigation, and other obligations. It was therefore recommended by the administration, in letters sent to the Vice President and the Speaker of the House from the Chairman of the Foreign Claims Settlement Commission under date of April 3, 1957, that returns be made up to $10,000 to the former individual owners of German and Japanese properties, as previously recommended, and that the remainder of the proceeds of vested assets be used to meet the war-damage claims of American nationals against Germany.

Thereafter, a new study of the problem was made by the administration. On July 31, 1957, the White House announced the intention of the administration to submit to the next session of Congress a supplementary plan which would provide for the payment in full of all legitimate war claims of Americans against Germany and would permit, as an act of grace, an equitable monetary return to former owners of assets.

PROPOSED PARTIAL RETURN OF ALIEN PROPERTY ASSETS

Mr. SMATHERS. Mr. President, I wish to express my personal disappointment that the administration has seen fit to send to the Congress a recommendation for a partial return of alien property assets.

I think it is obvious on the face of it that if certain German nationals are entitled to any return whatsoever, they are entitled to a full return. If they are entitled to a nickel, they are entitled in full to every claim they may wish to make against the United States Government.

I do not believe that this retreat on the part of the administration, in recommending a partial return in an attempt to smooth and sugar the bill so that it can pass the Congress, will be successful. There is no justification for such a proposal. Legally and morally the vested assets belong to the United States and should be retained to pay all legitimate American war claims against Germany, and any funds remaining should be utilized to the benefit of the United States. I have proposed this solution in a bill I introduced over a year ago. The bill is S. 2737 and is presently pending before the Judiciary Committee.

I think it has been well established on the floor of the Senate, and certainly before the Judiciary Committee in the past, that this particular vested alien property, both morally and legally, belongs to the people of the United States. Their ownership results from an agreement entered into in 1946 by our allies and the then Republic of Germany, which was subsequently reiterated in the terms of the Bonn convention, as amended by the Paris Protocol. This was also recognized by action of the Congress in the adoption of the War Claims Act of 1948, which provided that this property actually belonged to the people of the United States and should not be returned to its former owners.

We waived our right to claim any reparations whatever from the Government and the people of Germany for starting World War II—certainly we did not start it. We did not ask from them any damages. The only thing we asked and received was an agreement that the National Government of Germany would repay its own people, and that we in turn would keep in the United States the vested alien property in lieu of assessing any reparations against our former enemies. Germany today is better off financially than we are. It is capable of assuming its own responsibilities. It should be encouraged to carry them out to its own citizens. The Allies waived $300 billion of reparations in exchange for these vested assets. Germany benefited thereby. As a result it agreed to reimburse its own citizens, and should do so rather than attempt to transfer this responsibility onto the backs of the American taxpayer. The administration by its proposal is assisting Germany to impose this rank injustice upon our own citizens. It is a ridiculous proposal and warrants prompt rejection by the Congress. A fair solution to this controversial problem can be had by utilizing these liquidated funds to pay legitimate American war claims. Any balance left remaining should be held in a revolving fund to finance scientific and engineering scholarships for the youth of our Nation through the National Science Foundation. Any obligation Germany has to its own citizens is Germany's problem, not ours, and it is financially able to carry out such responsibility. Legally and morally the vested assets belong to the United States and should be used to its benefit and the benefit of its own citizens.

I ask the esteemed chairman of the Judiciary Committee, when he is ready to begin hearings on the bill, to give ample notice, because many of us expect to object to it most strenuously.

REVIEW BY SENATOR KENNEDY OF BOOK AL SMITH AND HIS AMERICA

Mr. PROXMIRE. Mr. President, the distinguished Senator from Massachusetts [Mr. KENNEDY] has written a review of a book by the brilliant historian, Oscar Handlin, entitled "Al Smith and His America."

I am sure it will be of particular interest to Members of the United States Senate. The contribution that Gov. Al Smith, a former Democratic nominee for President, made to a humanitarian and progressive America has not been fully appreciated. The Sen-

ator from Massachusetts points out that the driving force for most of the reform impulses which remade America in the thirties had their origins in two States: in the Wisconsin State government, under the influence of old Bob La Follette, and the New York State government, under the influence and administration of Al Smith.

Mr. President, the combination of the review by the able junior Senator from Massachusetts, who is himself an eminent author, as well as a gifted legislator, a review by this great Senator on the work of Oscar Handlin, who is himself a Pulitzer prize-winning historian, and certainly one of the finest in the world, on the life and influence of Al Smith, is a work which will be of great interest to the Senate and to the country.

Mr. President, I ask unanimous consent that the review entitled "The Whole of Al Smith" be printed in the RECORD following my remarks at this point.

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

ABOVE ALL ELSE, PRACTICAL—THE WHOLE OF AL SMITH

(Reviewed by JOHN F. KENNEDY)

(Senator KENNEDY is the author of the longtime best seller and Pulitzer prizewinner, Profiles in Courage.)

AL SMITH AND HIS AMERICA, BY OSCAR HANDLIN. ATLANTIC MONTHLY—LITTLE BROWN

Oscar Handlin, professor of American history at Harvard and perhaps America's most gifted social historian, has for the first time undertaken a biographical exploration. The result is a brilliant short study not only of Al Smith as a personality but also of his relation to the broad sweep of events of which he was a part.

Al Smith lives in many memories, but until now he has never really come alive in the historians' pages. For the first time we have in Professor Handlin's pungent chapters a clearly etched picture of Al Smith.

Earlier books in this series—Edmund Morgan on John Winthrop, John Blum on Woodrow Wilson, Richard Leopold on Elihu Root—have set their subject in focus by illuminating the flashpoints of their careers. Handlin has brought these techniques to the service of his subject with special skill.

Al Smith possessed above all else a practical intelligence which responded naturally to the stress of events and the felt needs of his environment—whether the East Side, the city of New York, the State or the Nation. While distrusting idealists, the progressive movement and fair-weather reformers, his own achievements in New York State were in themselves a remarkable chronicle of reform as well as a harbinger of broader changes in the Nation at large. In his administration in New York and in the Wisconsin State government of the twenties, are previewed most of the reform impulses which remade America and the contours of its national politics in the thirties.

Smith was able to make progress without sacrificing his conviction that partisanship and political compromise are both essential ingredients of American politics. Moreover, he had an unusual capacity to face and absorb facts and to mobilize talents from the professions.

Yet the last half of this volume casts up two shadows which fall like films between the object and its full comprehension. The first was Smith's disillusion in the election of 1928—an election which, perhaps even more than the author indicates, was one of the most decisive emotional experiences of 20th century America. Handlin alludes to the changes which were set in motion in urban America during this election, especially in eastern cities with a large immigrant vote.

But in a measure we often forget that it was the campaign of 1928, even more than the election of 1932, which brought the inner transformation of the Democratic Party. It was Roosevelt who brought fulfillment after his election to many of the hopes generated in 1928, but it was Al Smith who raised the banner, stated the issues, rallied new enthusiasms.

Professor Handlin raises the question—which he only answers very cautiously—whether the many-sided set of factors contributing to Smith's defeat in 1928 could be reproduced in our own time. This reader wishes that he might have spelled out more clearly how decisive he feels that the abnormal revolt against Smith in 1928 was, for this is one of Handlin's areas of special competence.

The other shadow was the growing friction and distrust between Smith and Roosevelt. Already in the aftermath of the election of 1928, in which F. D. R. triumphed as Governor while Smith went to defeat in the Nation, the legendary tradition of the Irishman "whose songs are all sad and whose fights are all gay" was belied. For 4 years Smith and F. D. R. had an uneasy truce, but soon after the election of 1932 their differences became an almost unbridgeable chasm.

Just as Smith was peculiarly a man who thrived on the specific challenges of politics and administration, so Roosevelt found the office of the Presidency an enormous stimulus to constructive leadership and new ideas. Yet when Smith was isolated from the actual stream of politics, he could no longer be a truly effective public figure. Their worlds of thought and action became more and more remote from each other.

During much of the thirties, a decade for which F. D. R. was superbly trained by the wide dimensions of his curiosity and early public service, Smith was confined in political frustration in the miniature world he had known in New York City and Albany. He had, as Professor Handlin sadly notes, lost touch with his audience and "wandered into the isolation of the actor with no stage."

Yet this period of exile cannot detract from the vivid energy of Al Smith, his political gifts, his authentic grasp of human problems, his sense of performance which contributed so much to modern America's self-discovery. To Professor Handlin we owe a debt of gratitude for permitting us to recapture the whole Al Smith.

SUPREME COURT AND GAMBLERS' EXPENSES

Mr. PROXMIRE. Mr. President, since the decision of the Supreme Court on March 17 that certain expenditures of gamblers could be deducted for income-tax purposes as ordinary business expenses, there has been a flood of editorials condemning the decisions. Many of them mistakenly take the position that the Supreme Court was wrong in its decision, and that the blame should fall on the Court for the ridiculous policy of allowing deductions for illegal expenditures.

That of course is not the case. The Court pointed out that Congress could make the expenditures nondeductible, but that the only reasonable inference from the law was that Congress had not done so. The Court invited, even challenged, the Congress to do it. That is precisely what S. 3535, the bill I introduced on March 21, is designed to do.

An editorial in the Milwaukee Journal of last Thursday, March 27, very accurately assesses what the Supreme Court said in its decision and makes it very clear that it is the law that needs to be changed.

Mr. President, I ask unanimous consent that the editorial, entitled "Legal—and Ridiculous," appear in the RECORD at this point in my remarks.

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

LEGAL—AND RIDICULOUS

As the Toledo Blade has aptly remarked, foolish law is apt to make for foolish justice. It was referring to the recent holding of the United States Supreme Court that an Illinois bookmaker's office rent, payroll, and so forth, are "ordinary and necessary expenses," deductible for Federal income-tax purposes.

The decision has been greeted generally around the country with exasperation and ridicule. Yet the Court arrived at it perfectly logically and inescapably, in the present condition of national legislative policy.

Although most States outlaw gambling, Federal law does not. Quite oppositely, in fact, a Congress scrounging for revenue has levied an excise tax on it for the last 7 years. The Court simply took this to be "recognition of a gambling enterprise as a business"—and a business is entitled to expense deductions.

Some who have been the loudest critics of the Court for "usurping" and "legislating" in other recent decisions are scorning it in this case, too, precisely because it did not legislate. If the Court does not find a state of affairs to be unconstitutional, or invalid for some other legal reason, any disapproval it may feel on other grounds is supposed to be immaterial, and so it was.

If the result seems immoral, and frustrating to all the States that hold gambling a crime, then it is the law, not the Court, that is immoral and disruptive. The decision may be salutary, in fact, if it helps show up that character of Congressional policy.

MISLEADING ADVERTISING BY SAVINGS ASSOCIATION OPERATING IN MARYLAND

Mr. BEALL. Mr. President, there has been called to my attention the misleading advertising of a so-called savings association operating in my State of Maryland and in the suburbs of metropolitan Washington.

If their advertising is misleading, is it not reasonable to question their whole operation? This is a matter which should be looked into immediately, if we are to take proper steps to safeguard the hard-earned savings of our citizens.

Here are the facts:

The company calls itself the Family Savings and Home Loan Association, and it has offices in Baltimore, Silver Spring, Suitland, Hagerstown, Cumberland, Elkton, and Frederick, Md. It boldly advertises payment of 4½ percent on savings, which is of course above the current rate, but when one reads the fine print he learns that they pay 3½ percent in cash and credit 1 percent on insurance. Personally, I would like to know the value of that so-called insurance.

The company also boldly advertises that savings accounts are insured up to $10,000. That magic figure of $10,000 is

no doubt borrowed from the legitimate advertising of Federal savings and loan associations, whose accounts are insured by an agency of the Federal Government. But let us see who insures the savings handed over to the Family Savings and Loan Association. The accounts are insured by another company which calls itself the American Indemnity Co., and so far as I know, this American Indemnity Co. has no office in the United States. Certainly it is not licensed to do business in Maryland or in the District of Columbia. Its brochure shows three addresses, 1 in Panama, 1 in Canada, and 1 in England.

This so-called savings association claims to be a member of an organization called American Council of Independent Savings and Loan Associations. I cannot find anyone who has ever before heard of this organization.

From this evidence, it seems to me that this might be a company taking advantage of the public. Therefore, I am today asking the Committee on Banking and Currency, of which I am a member, to look into this matter and take appropriate steps.

I ask to have printed in the RECORD the text of the brochure of the American Indemnity Co. and also the text of the brochure of the Family Savings and Loan Association.

I wish also to have inserted in the RECORD, as a part of my remarks, a newspaper article which appeared in the New York Times on March 21.

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

QUESTIONS AND ANSWERS ABOUT COMMERCIAL INSURANCE OF SAVINGS-SHARE-ACCOUNTS—THE AMERICAN INDEMNITY CO., INC.

1. Question. What is the American Indemnity Co., Inc.?

Answer. It is a corporation especially created to guarantee the safety of savings associations up to $10,000 for each savings-share-account.

2. Question. What is a commercially insured association?

Answer. Any savings and loan or building and loan association, cooperative bank or homestead association which has been approved for insurance by a commercial insurance carrier.

3. Question. Can insurance protection be terminated without notice to all members?

Answer. No. The insurance contract provides that notice must be given to all members in the association before the insurance can be terminated.

4. Question. Is there any cost to the individual member for insurance protection?

Answer. No. There is no direct cost to the individual, since the premium is paid by the association.

5. Question. What security is afforded *savings placed* in a commercially insured association?

Answer. Savings are protected by:

(1) The security found in sound first-mortgage loans on homes, United States Government bonds, and other assets.

(2) Sound, progressive operating policies administered by experienced, local management.

(3) Periodic reports, examinations, and audits.

(4) Insurance against loss afforded by sound insurance principles.

6. Question. Does the insurance contract assure the safety of savings regardless of the cause or type of loss?

Answer. Yes.

7. Question. What types of accounts are insured?

Answer. Generally, all forms of savings-share accounts are insured against loss up to $10,000 for each account.

8. Question. What is meant by commercial insurance protection up to $10,000 for each account?

Answer. The true ownership of the savings-share accounts is insured. An individual may have only one account insured up to $10,000 in a single institution. However, two or more persons may have individual insured accounts of $10,000 each and in addition may have an insured joint account with right of survivorship.

9. Question. Are two joint share accounts of $10,000 each in the same association, one account in the name of John Doe and Mary Doe and the other in the name of Mary Doe and John Doe both insured?

Answer. No, since the same persons own both accounts in the same right or capacity.

10. Question. Would the following types of share accounts in the same institution be insured to the maximum of $10,000 each?

Sinking Fund—X Corporation.

Roofing Fund—X Corporation.

Answer. No. Since the X Corporation is the owner of both accounts, the maximum insurance protection would be $10,000, and not $10,000 for each account.

11. Question. If a trustee maintains several trust accounts in the same institution, each for a different individual, will each share account be protected against loss up to $10,000?

Answer. Yes. If the trust accounts are bona fide, each beneficiary would be separately insured up to the $10,000 limit. Such insurance is separate from, and in addition to, that covering other accounts maintained in the names of owners of trust funds, or in the names of beneficiaries of trust estates.

12. Question. May one person have share accounts in more than one federally or commercially insured association and receive insurance protection on each account?

Answer Yes. Savings in each federally or commericially insured institution will be protected up to the $10,000 limit.

13. Question. Must a commercially insured association be closed before the American Indemnity Co. acts to protect the people who have placed their money in it?

Answer. No. The American Indemnity Co. may make loans to, purchase the assets of, or make contributions to prevent default or to restore the association in default to normal operation.

14. Question. When a commercially insured association is closed, how do the people get their money?

Answer. As promptly as possible, the American Indemnity Co. generally makes full payment in cash to all members of the association.

15. Question. In the event a commercially insured institution is closed, what happens to the uninsured portion of an account (the amount in excess of $10,000)?

Answer. The owner of the share account will share proportionately in the proceeds from the liquidation of the assets of the institution.

16. Question. Are these steps in liquidation essentially similar to those followed in the liquidation of a federally insured association?

Answer. Yes. The procedures and policies of the American Indemnity Co. are intended to be essentially similar to those of the Federal Savings and Loan Insurance Corporation.

Savings-share accounts of this association are commercially insured by the American Indemnity Co., Inc., 115 Leadenhall Street, London, E. C., England; 133 Richmond Street West, Toronto, Canada; 33 Central Avenue, Panama, Republic of Panama.

General counsel: I. I. Bolotin, Esq., 1010 Vermont Avenue NW., Washington, D. C.

THE FAMILY SAVINGS ASSOCIATION—THE FAMILY SAVINGS & HOME LOAN ASSOCIATION, INC.—BALTIMORE, MD.; CUMBERLAND, MD.; ELKTON, MD.; FREDERICK, MD.; HAGERSTOWN, MD.; SILVER SPRING, MD.; SUITLAND, MD.

Current dividend 4½ percent per annum compounded quarterly, or the family savings plan—savings with automatic life and disability insurance. Savings-share accounts insured commercially up to $10,000.

FOR YOUR INFORMATION

The Family Savings & Home Loan Association, Inc., was formed to promote family financial security, to provide financial advice and guidance, to encourage thrift, and to effect sound financing of individual home ownership.

Our association has been growing at an unprecedented rate to meet the needs of Maryland families. Local offices serve Baltimore, Cumberland, Elkton, Frederick, Hagerstown, Silver Spring, and Suitland, and fiscal agents have been appointed in many communities throughout the State. Lifelong residents of these communities, experienced in their work and familiar with the needs and aims of their neighbors, manage the local offices and serve local needs. The local operations of these offices are supervised by a board of directors composed of business and professional men who are prominent in newspaper publishing, national manufacturing, international labor organizations, real-estate development, investment counseling, education, and law.

Since World War II, the savings-and-loan industry has been the source of profitable investments yielding increasing dividends to its members. The underlying investments are the homes owned by more than 60 percent of America's families.

It is the established policy of our association to have our dividend rates reflect these increasing yields. Accordingly, the returns to our members, by reason of current mortgage rates, the productivity of investments, and low operating expenses, exceed those earned by most other kinds of savings investments. As a consequence, our association is enjoying a steady growth, month by month, in both the number of our members and the volume of their savings. Currently, our assets are growing at the rate of a million dollars annually.

The program of our association is designed to meet the needs of our members for financial guidance. Our members receive counsel on the management of debt, the budgeting of current and lifelong expenses, insurance, investments, and retirement.

To assure our members maximum protection in family emergencies, our association is among the first of financial institutions to offer a savings plan that includes automatic life and disability insurance. Under the family-savings plan each addition to a member's savings-share account is automatically matched by an equal amount of life insurance and an equal amount of disability insurance. Savings of $25, for example, added to a balance of $650, assures our member and his family of $675 of life insurance and $675 of disability insurance in addition to his savings of $675.

Like Federal credit unions, our association's operations, loans, and investments are based on conservative practices. Complete insurance is required on all loans to guard against economic risks, to make repayments certain, and to protect effectively our association's future.

WHY YOU SHOULD SAVE YOUR MONEY IN OUR ASSOCIATION NOW

Superior yield: Your savings earn a maximum return—among the highest in the East—4½ percent, compounded quarterly.

Superior safety: You save with safety. Our loans are secured principally by metropolitan and suburban real estate throughout the State of Maryland. And each loan is comprehensively insured against the risks of

loss or damage. Our savings-share accounts are insured commercially to $10,000.

Superior diversity: Local loans are made selectively in communities which are enjoying steady commercial and industrial development and extraordinary population growth.

Superior liquidity: Monthly repayment of short- as well as long-term loans, together with special investments and high reserves, assure a maximum of liquidity.

SAVE WITH SAFETY FOR YOUR FAMILY'S FUTURE

How your family's savings earn 4½ percent:

Loans are made only to responsible people for valid purposes. Our loans, amply secured by sound collateral and comprehensively insured, are subject to competent examination and periodic reevaluation. Local real-estate investments that are stable and profitable yield substantial returns. Our dividends conservatively reflect these yields. Our short-term loans, repaid monthly in accordance with closely supervised schedules, keep our funds constantly productive and assure liquidity.

Based on conservative principles, our long-term loans are made to correspond with ability to pay and individual family needs. For both short- and long-term loans, our underlying security are homes owned by local members which are fully insured against the risks of loss or damage.

Fundamentally, current interest rates, our low operating expenses, and the productivity of selected investments provide us with a rate of return which exceeds those earned by most other kinds of savings investments.

Why your family's savings grow:

Dividends are paid on dividends, so that, as added to your savings, they compound. Four and one-half percent compounded quarterly truly accelerates the growth of your savings. Indeed, $1,000 compounded quarterly at 4½ percent for 10 years yield an average annual return of more than 5.6 percent. Savings, therefore, double themselves in less than 16 years. Regular saving, of course, maximizes this growth.

What if your family's savings are needed:

If funds are needed, you may take advantage of our counseling services, and you may exercise your right to borrow against your family's savings without disrupting your savings program.

Withdrawals, of course, may always be made at your convenience, personally or by mail.

When does your family receive its emergency protection:

At once, and automatically thereafter, if you elect the family-savings plan. By means of your savings, your family is protected against the risks of death, disability, and personal disasters. As you save, automatically your life and disability protection increases.

THE FAMILY SAVINGS PLAN—AN OPTIONAL PROGRAM WHICH PROVIDES TRIPLE PROTECTION FOR YOUR FAMILY

The family savings plan, a unique program to triple your family's protection through liberal dividends and automatic life and disability insurance. Your family's security requires this protection of savings and insurance.

Liberal dividends: Every dollar added to your family's savings-share account earns dividends for you at our current rate of 4½ percent per year. However, under the family savings plan, you receive cash dividends of 3½ percent per year, compounded and credited quarterly, to make your savings grow faster, and the additional 1 percent per year earned by your savings is the full cost of your life and disability insurance. This insurance automatically terminates at age 55 in respect of total and permanent disability benefits and at age 65 in respect of death benefits.

Automatic life insurance: Automatically, with each addition, the balance in your family's savings-share account is matched by an equal amount of insurance on your life up to age 65. As you add to your savings, you automatically add to your family's life-insurance protection.

Automatic disability protection: In addition, in the event of total and permanent disability before the age of 55, your family's lost income will be replaced by insurance benefits equal to the amount you have in your share-account under the family savings plan.

Maximum savings benefits: Regular saving helps your family both to meet its needs and to satisfy its wants. Funds are always available for emergencies, opportunities, advancement, and pleasure. The family savings plan effectively assures your family the full benefits of regular saving.

Convenience and protection: Even in times of need, when protection is most desired, you need not make withdrawals and reduce your insurance. Under the family savings plan, you may conveniently borrow against your account, using only your passbook as collateral.

Triple security: The family savings plan is designed to afford your family extra protection when it is needed most. Upon death or disability, the balance in your account is automatically doubled. Under the family savings plan, $2,500, for example, is automatically increased to $5,000. At times when the family's income has been reduced or interrupted these addtional funds are made available to meet your family's needs.

It's all automatic: Under the family savings plan, your insurance grows automatically with your savings. Premiums, at a rate not to exceed 1 percent per year, are paid by the association for you from dividends earned by your savings * * * at no out-of-pocket expense to you nor any cash burden on your family's current budget.

THE FAMILY SAVINGS ASSOCIATION—COMPARE SERVICE—SAVE WHERE SERVICE MEETS YOUR FAMILY NEEDS

Save conveniently by mail.

No notice required for withdrawals.

No minimum balance required to earn dividends, or to open your share account.

Special dividend of $1 is credited to new accounts.

Our experience is at your family's service for counsel on financial matters. Our advice and counsel are directed to the management of family debt, the budgeting of current and lifelong expenses, adequate insurance programs, family investments and retirement plans.

Funds are made available on terms appropriate to financial ability and need for home ownership, construction, or modernization.

Emergency family protection is earned without extra cost through automatic life and disability insurance.

Family credit is established for you by our record of your prudent savings.

Personal loans are granted secured only by your family's savings without disrupting your family's savings program.

RULES AND PROCEDURES

1. Dividends are declared and credited quarterly. Dividends are thereby compounded.

2. Dividends are credited from the 1st of the month on payments received by the 10th.

3. Loans are made on mortgages, improved real estate, and pledged savings-share accounts.

4. Loans require comprehensive insurance against risks of loss or damage.

5. Loans require only small monthly repayments. No commission and no minimum expense are required.

6. Interest is charged only on the actual balance of the loan each month.

7. Payments are due monthly without notice.

8. The association must be notified promptly of any change in address.

9. Your passbook should always accompany payments or withdrawals whether made in person or by mail.

A State-chartered institution, our association achieves maximum security through prudent management and comprehensive insurance against risks of loss or damage. Our savings-share accounts are insured commercially to $10,000.

THE FAMILY SAVINGS AND HOME LOAN ASSOCIATION, INC.

Offices: 640 Frederick Road, Baltimore, Md.; 16 North Liberty Street, Cumberland, Md.; 127 North Street, Elkton, Md.; 27 North Court Street, Frederick, Md.; 6 East Washington Street, Hagerstown, Md.; 8431 Georgia Avenue, Silver Spring, Md.; 4653 Huron Avenue, Suitland, Md.

[From the New York Times, of March 21, 1958]

PUBLIC IS CAUTIONED ON SAVINGS CLAIMS

The Better Business Bureau of New York City cautioned the public yesterday against putting funds in out-of-State savings and loan associations that advertise higher-than-usual dividend rates and represent their accounts as commercially insured to $10,000.

In Washington Representative ABRAHAM J. MULTER, Democrat of Brooklyn, said an amendment would be offered to the pending Financial Institutions Act to compel such savings and loan associations to disclose fully the nature of such claims in their advertising.

Hugh R. Jackson, president of the Better Business Bureau, said that savers in about 3,700 recognized savings and loan associations throughout the country had insurance coverage on savings accounts up to $10,000 through the Federal Savings and Loan Insurance Corporation, a Federal Government instrumentality. Commercially insured savings and loan associations, he said, do not have this insurance.

Some Utah, Maryland, and Arizona savings and loan associations, a bureau spokesman said, have advertised commercially insured accounts, adding that companies insuring some of these accounts have been based in Tangiers and Morocco.

STAY IN REDUCTION OF SUPPORT PRICES—VETO MESSAGE (S. DOC. NO. 85)

Mr. MANSFIELD. Mr. President, I ask that the veto message of the President on Senate Joint Resolution 162 be laid before the Senate.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair) laid before the Senate the following message from the President of the United States, which was read and, with the accompanying joint resolution, was ordered to lie on the table and to be printed:

To the Senate:

I return herewith, without my approval, Senate Joint Resolution 162. I have given earnest consideration to the many representations made to me both for and against it. It is my judgment that to approve this resolution would be ill advised, from the standpoint both of the Nation and of our farm families as well. It is regrettable that for the second time in 2 years the Congress has sent me a farm bill which I cannot in good conscience approve.

Specifically, the resolution would have such consequences as these:

First. It would pile up more farm products in Government warehouses.

Second. It would restrict the growth of markets.

Third. It would postpone the day when agriculture can be released from the straitjacket of controls.

Fourth. It would bypass the problems of the small operator who produces so little for sale that price supports have scant meaning.

Fifth. It would hold up the needed transition to modern parity and would in fact disregard the parity principle.

Sixth. It would be unfair to those winter-wheat growers who signed up under the 1958 acreage-reserve program with the understanding that the price supports which had then been announced would be the effective rates.

This resolution would fix farm price supports and farm acreage allotments at not less than existing levels. The true need is to relate both price supports and acreage allotments to growing market opportunities.

With regard to Government controls, what the farm economy needs is a thaw rather than a freeze.

Improvements have been made in farm legislation in recent years. The keys to these improvements have been expansion of markets and greater opportunity for our farm people to exercise their own sound judgment.

Fears were expressed by some that farm prices might collapse when high rigid price supports were abandoned. These fears did not materialize. Instead, farm prices rose. This month the index of prices received by farmers is 9 percent above the level that prevailed in June of 1955 when high rigid price supports were last generally in effect. The parity ratio now stands at 87, up 6 points from a year ago.

Most of agriculture is without production controls and without price support. This is generally true of meat animals, poultry, and fruits and vegetables.

There is impressive evidence that farmers stand to profit from less rather than more governmental intervention. Unsupported prices of cattle and hogs are unusually strong.

Despite these bright spots, many farm problems remain to be solved. The price-cost squeeze continues to harass our farm people. Production restrictions impose a severe burden. Many of our farmers—those on farms not large enough to be profitable—are earning incomes which are below any generally accepted standard.

Cotton, wheat, corn, and other basic crops have major problems. Progress in solving the problems of these crops cannot be made by going backward. We must continue in the direction which the Congress set in 1954 and endorsed in 1956—changes in the direction of greater opportunity for adjustments made necessary by our ever-changing agriculture.

I said, prior to the passage of this resolution, that what it proposed would be a turn of 180° in the wrong direction. After reviewing the resolution in its final form, I adhere to this conviction.

For the 1957 crop, prices were supported, product by product, in accordance with a complex set of legislative and administrative considerations. The same was true in the establishment of acreage allotments. To carry these forward unaltered, despite changes in demand, in supply, and in surplus stocks would be contrary to sound legislative procedures and would completely disregard economic fact.

Now, I want to turn to the progress that has been made through programs already in effect. In recent years a many-sided attack on farm problems has been launched. Substantial gains have been achieved:

Through the rural development program to help those at the low end of the income scale.

Through market-making exports which last year reached an alltime high.

Through providing needed credit to family farms.

Through sharing our abundance with the needy at home and abroad.

Through market development in cooperation with producer organizations and the food trade.

Through surplus reduction, which has cut down our stocks by more than a billion dollars.

Through stepped-up research to find new uses for farm products.

Through special programs to increase milk consumption.

Through expanded long-range conservation measures.

While it is necessary to reject the freeze embodied in this resolution, the Congress and the executive branch can be helpful in other ways.

A five-point program should be undertaken, involving various separate but related actions. Some of these are the responsibiilty of the Congress and some are administrative. Some call for legislation, while ample authority already exists for others.

1. The old basic law should be revised. On January 16, 1958, I sent to the Congress a special message on agriculture which recommended needed changes. Many of the problems will be alleviated if the Congress will act on these proposals in this session:

Authority to increase acreage allotments up to 50 percent, and to widen the range within which price supports may be provided.

Elimination of acreage allotments for corn, permitting all corn farmers to plant in accordance with their best management decisions, so that price supports would apply to all corn rather than, as the freeze bill would have it, to only about 1 acre in 7 in the commercial corn area.

Abolishment of escalator clauses in the law because these rigid provisions keep farm people continually under the shadow of price-depressing surpluses.

Extension of the Agricultural Trade Development and Assistance Act, with substantial increased authority to move surplus stocks abroad.

Shifting the price supports for cotton to the average of the crop, the same as for all other farm products.

There is opportunity to make these needed changes before fall seeding time if the matter is undertaken promptly.

2. When these necessary legislative changes have been made, 1959 acreage allotments will be established at levels as high or higher than those prevailing in 1958. Certain statutory provisions which place a floor under acreage allotments for cotton and rice are scheduled to expire after the 1958 crop. Producers face sharp acreage reductions unless the law is changed. When the Secretary of Agriculture has been given the necessary authority to adjust price supports and acreage allotments he will set 1959 allotments at levels at least as high as those in use this year. For cotton and rice these allotments will be substantially above the levels which would otherwise prevail.

3. When necessary new authorization is provided in keeping with my legislative recommendations, the special export programs for our surplus crops will be enlarged. Opportunities exist to export, both for dollars and through special programs, large quantities of our staple commodities.

Wheat is becoming better known to consumers abroad. Market development and promotional activities have made more people acquainted with the merits of our many export products. These commodities can alleviate hunger and need, and should be so used.

4. Dairy products acquired under the price-support operation will be used outside the regular domestic commercial market. These products will not be offered for sale in such markets during the remainder of 1958 at less than 90 percent of parity. While freezing supports would not be a useful step, we seek to help the dairy industry in other ways.

To strengthen markets, the butter, cheese, and dry milk acquired under price support will be donated to the school-lunch program, to charitable institutions, and to needy persons. Exports will be made when this can appropriately be done.

Such inventory management will serve to bolster the market.

Meanwhile, the administration will continue to support the special school milk and armed services milk programs. We will also support as a further aid to dairy farmers, the accelerated brucellosis control program. Stepped up promotional activity will increase consumption.

Every constructive step available to us will be taken to increase the use of our wholesome dairy products.

5. An export program for cotton, corn, and other feed grains, similar to the present export program on wheat, will be put into effect. This can be done without legislation. The effect of this program will be to move these products directly from commercial markets to the export trade without running them through the Commodity Credit Corporation. Under the wheat-export program farmers have obtained broader markets and substantial price benefits in the market place. Marketing efficiency has been promoted and the amount of wheat which has moved into Government channels has been reduced. The new program for cotton and feed grains is expected to have similar effects.

To meet the rapidly changing conditions in agriculture, farmers must be able to make their own management decisions on their own farms. They must not have their production and prices frozen in an outmoded pattern. They must not be made the captives of a restricted history; they must be given freedom to build a brighter future. This can be done if farmers and those who serve them will team up in support of sound legislative and administrative action.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 31, 1958.*

Mr. ELLENDER. Mr. President, I cannot say that I am very much surprised at the veto message which has just been submitted to the Senate, although I had hoped the President would sign this very mild joint resolution.

The hard facts are that our country is in the midst of a recession. Business, industry, and labor are today feeling the impact of an economic distress which has stalked our agriculture for the past 4 or 5 years.

The resolution which the President has seen fit to veto was reported by the Senate Committee on Agriculture and Forestry solely and simply because we believe it offered a mild form of relief to our farmers who have already suffered disastrous declines in their incomes.

I note in his veto message that the President takes the position that because farm prices rose slightly during the past month, the outlook for future farm income is bright. I would remind the President that the slight rise to which he has referred was due first and foremost to weather conditions. For example, an analysis of the price rise indicates that strawberries accounted for 15 percent of the increase; Irish potatoes, 20 percent; and eggs, 12 percent. In other words, price increases for these three commodities—strawberries, potatoes, and eggs—made up 47 percent of the entire rise in the parity ratio. These commodities, however, make up less than 10 percent of total cash receipts from farm marketings. Of course, the reason for higher prices for these three commodities is the shortage in supply. In the case of strawberries, these prices are for the new crop which is just beginning to come in, while in the case of potatoes, the fact that storage stocks are down 20 percent below March 1 figures coupled with weather damage to the new crop of potatoes is responsible. The increase in egg prices was caused by generally unfavorable weather conditions in Northern and Eastern States.

Increase in the prices of meat animals accounted for 28 percent of the total increase in parity ratio. The fact is that slaughter at federally inspected plants of cattle during this period decreased 19 percent; slaughter of calves dropped 4 percent; hogs, 16 percent; and sheep, 14 percent. These figures show the principal reason for the increase in prices of meat animals. Meat animals account for about 29 percent of total cash income from farm marketings.

The facts available indicate that price rises reported in this latest release are the result of shortages of supplies, and not the result of expanded markets for these commodities.

In addition, it is inconceivable to me that any action directed towards lowering of price supports in any way could be based on increased prices occurring in only 1 month under the stress of unusual shortages of supplies.

Even a hasty reading of the Presidents veto message shows that the administration has definitely made up its mind to beat down farm prices even below the levels of this year, but above and beyond that is the fact that the President has done again almost the same thing he did in 1956.

Senators will recall that in 1956, Congress passed and sent to the White House, a stop-gap farm bill which would have supported farm prices for the basic commodities at 90 percent of parity for 1 year only. The President vetoed this act, and in his veto message made much of the fact that the legislation involved an abandonment of the administration's flexible price-support program. Yet, in almost the same breath, he, himself, abandoned the sliding scale, and in an unprecedented move announced an arbitrary high-level price support for the basics—a rigid price support—a 1-year price support, and—I might add—an election year price support.

In this veto message, the President has, in a sense, done almost the same thing.

He has vetoed the bill which froze acreage allotments for 1959 at the 1957 levels. At the same time, he has held out a "carrot" to Congress and said that if we give Mr. Benson the authority he wants to fix support levels at between 60 and 90 percent of parity, he, the President, will see that, and I quote:

> Nineteen fifty-nine acreage allotments will be established at levels as high or higher than those prevailing in 1958.

In other words, Mr. President, if Congress freezes acreage, it is terrible, but if the administration freezes acreage, it is constructive.

Now, Mr. President, as to price supports, the Chief Executive almost ignores these. He speaks in glittering generalities of the prosperity farmers will enjoy if only Congress makes it possible for price supports to be further lowered. Therefore, Mr. President, we can only assume that the President wants lower prices.

Now, let us take him at his own word. Let us assume that he gets what he wants. He has promised to give farmers at least the same acreage in 1959 as they had in 1958. Yet, he also says that price supports should be reduced.

Given the same acreage and a lowered price support, it is obvious that farm income will be further reduced. Therefore, I am drawn inevitably to the sad conclusion that this administration doesn't want to bolster farm prices—that it wants only to see farm prices further depressed.

The President said in his veto message that the price of meat animals, for example, has remained reasonably stable and that since the price of meat is not supported, the experience of the livestock industry offers support for his position that price supports depress, rather than assist, farm income. The President should know that the price of grain is supported. This factor alone has its stabilizing mark on the meat industry. In addition, the price of meat is receiving support under the program of Government purchases. As the record will show, when the price of pork or beef, for example, sag, the Department of Agriculture undertakes direct purchases in order to bolster the price of meat.

In addition, as I have already stated, cattle marketings are much lighter this year due to the fact that ranchers are now restocking depleted herds—herds that were previously liquidated because of weather conditions. Now with the end of drought conditions along the Great Western Plains, the grass is beginning to grow again, and ranchers are once more able to use lands which lately were unusable. This is another good reason why the price of meat products has been firm—there has been a scarcity of good beef.

There are two other points in the veto message which are of great importance. The first is the contention that lower farm prices mean lower consumer prices. This is not so. The record demonstrates that even while farm prices have been declining, food prices have been soaring to an alltime high. The share of the consumer's dollar received by farmers for a representative number of food items has been declining from around 51 cents in 1948 to 40 cents today.

The second point is somewhat more difficult to explain, and evidently the President either did not receive an explanation, or saw fit to ignore it. I refer to the fact that the bill he has vetoed has been described as a freeze. The bill was not a freeze, in the sense that it froze price supports and acreage at 1957 levels. It merely provided that price supports and acreage could not drop below 1957 levels. In other words, all the bill did was place a floor beneath price supports and acreage.

I am most hopeful, Mr. President, that over the Easter recess, while Members of the Senate and the other body are at home, their constituents will discuss with them the President's action. I am sure that if this is done, it will be possible to override the President's veto. At any rate, I think the effort should be made.

The President is wrong; the Congress is right.

At this time, Mr. President, I ask unanimous consent that a memorandum I have prepared, dealing with the President's veto message, be incorporated in the RECORD at this point.

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

MEMORANDUM

Today the President returned Senate Joint Resolution 162 to the Senate with a veto. He states that the resolution had many unfavorable points which compelled him to exercise his veto.

Specifically he stated that:

1. It would pile up more farm products in Government warehouses. My comment is that this short-term legislation could not

possibly have had any direct affect on increasing the amount of products that the Government would have to purchase. In the case of dairy products, the Department of Agriculture, in its Dairy Situation release of February 1958, indicated that even with lower price supports production would increase. Therefore, Senate Joint Resolution 162 would have no impact here. Further, other than seasonal changes, there will be no reduction in the price of milk at retail.

In the case of wheat the outlook for total planting as of March 18 was estimated by the Department of Agriculture at 56.5 million acres or 6.6 million acres more than that seeded for last year's harvest, and production was estimated at 1,077 million bushels or 130 million bushels over last year. Price supports for wheat at the lower level were announced last year.

2. The President says that slightly higher prices will restrict the growth of markets. Everybody knows that the demand for farm products is inelastic and that increased consumption will come only as a result of a greater than proportionate reduction in prices. By reducing the price of wheat 22 cents a bushel, it will result in little, if any, increase in consumption of wheat, and I say here and now that there will be no reduction in the retail price of bread or other wheat products.

3. The President states that agriculture is now in straitjacket controls. Of course we have controls. These are primarily acreage controls, and while acreage restrictions have been cumbersome in some instances, they were necessary if prices were to be supported. Furthermore, a reduction in prices as suggested by the President will not remove acreage controls.

4. I do not agree that price supports for small operators have scant meaning. These price supports have many times been the difference between starvation and continued existence for small operators.

5. Of course, transition to modern parity would have been held up but this would have been only for 1 year at the most.

6. While it is true that winter wheat growers, who signed up under the 1958 acreage reserve program, did so with the understanding that price supports would be at $1.78, it was also true that these winter wheat producers would have benefited in the marketing of their crop by the increase in price supports.

7. It is true that agricultural programs need revising, but less of the same program is not the answer, and a 1-year freeze in price supports and acreage allotments would have little effect on the long-time outlook for agriculture. The President states that the farm economy needs a thaw rather than a freeze. What he means is that farm prices should be lower than they presently are and that farmers should be satisfied with sustenance living while all sorts of devices are being advocated to bolster the national economy.

8. The President states that improvements in farm legislation have occurred and have resulted in expansion of markets and greater opportunity for farm people to exercise their own sound judgment. He should know that the expansion of markets has been the result of expanded exports at prices which have been lower than domestic prices. And, in my humble judgment, farm people have always exercised their own sound judgment.

9. The President emphasizes the fact that farm prices are higher today than they were last month or even a year ago. What he did not say was that 47 percent of the increase in the parity ratio this month was due to increased prices for strawberries, potatoes, and eggs, which constitute less than 10 percent of total cash receipts from farm markets. And, as I said before, higher prices were caused by shortages rather than expanded markets.

The President states that one of the biggest problems in farming is the price-cost squeeze which harasses our farm people. To my knowledge neither the President nor the Secretary of Agriculture has ever proposed any method whatsoever of coping with this extremely serious problem. Their only recommendation has been to lower farm prices.

10. The President states "that a five-point program should be undertaken." First, the President requests authority to increase acreage allotments up to 50 percent and to widen the range of price supports. What the President really wants is lower price supports and he throws in the sop of increased allotments in order to make it attractive. He knows absolutely and unequivocably that acreage allotments cannot be increased by 50 percent without piling up surpluses such as this country has never known.

Second, he asks for elimination of acreage allotments for corn; third, for abolishment of the escalator clause; fourth, for the extension of Public Law 480; and fifth, a shift in price supports for cotton to the average of the crop. It is the intention of our committee to consider all of these points as well as many others in the farm program which we hope to design within the next 2 months. The Secretary of Agriculture well knows that both Agriculture Committees of Congress are studying the overall farm program. This had nothing to do with Senate Joint Resolution 162.

11. At this point, the President tries to make a deal with Congress. He says that if we make these changes than he will establish acreage allotments as high or higher than those prevailing in 1958. He says to producers, "If you take a lower price, I will let you plant as much in 1959 as you did this year."

12. In the case of dairy products, he says that lower prices are better for farmers and if you take these lower prices, we will help you other ways. We will donate the surplus we take in because of increased production at lower prices to schools, charitable institutions, and to needy persons, and that we will export what we cannot use at home.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, the message from the President of the United States will lie on the table and will be printed.

Mr. HUMPHREY. Mr. President, I shall not object to having the veto message lie on the table and printed in the RECORD; but I do object to the message.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to let the people of the United States know that I am disappointed and hurt because of the veto by the President of the farm joint resolution.

I believe that if Mr. Benson knew a Jimson weed from a cotton stalk and if he knew some of the other commodities as well as he knows wool at the present time, he would take the same position in regard to the other commodities that he probably takes in regard to wool and the support of wool prices.

If the President would only leave the golf links long enough to go into the cottonfields and mix and mingle with the farmers there; if he would also mix and mingle a little with the dairymen and would find out firsthand, from them, what the conditions are, and if he would only go to the tobacco farms and would see what the conditions there are, I believe that today he would feel about the way the farmers and the other people of South Carolina feel.

The farmers and the other people of South Carolina are distressed and worried because the cotton gins are closing throughout the cotton regions; I will vouch for that. They are closing in other States, too; I know that, for I have also been there. The crossroads stores also are closing, and there is serious unemployment. In fact, the number of persons unemployed as of today, almost equals the number of persons who have left the farms, so I am informed. Almost 6 million persons have left the farms during this administration, and today approximately 6 million persons are unemployed because they cannot find jobs.

Mr. President, the Legislature of South Carolina is worried about this situation. I hold in my hand two concurrent resolutions, which I send to the desk and ask to have printed in the RECORD.

Mr. President, listen to the first of the concurrent resolutions:

To memorialize the President of the United States and the Congress to set aside the week of March 31 to April 5 as that time when all citizens will be urged to purchase their needs in order to restore the confidence of the American public in their economic development.

The other concurrent resolution reads in part as follows:

To memorialize the Congress of the United States to enact legislation looking to the cancellation of all income taxes for a period of from 3 to 4 months of the next tax year.

These two concurrent resolutions were passed by the House and Senate of the South Carolina Legislature; and I wish to have them printed in the RECORD at the request of myself and the junior Senator from South Carolina [Mr. THURMOND].

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

To the Committee on the Judiciary:

"Concurrent resolution to memorialize the President of the United States and the Congress to set aside the week of March 31 to April 5 as that time when all citizens will be urged to purchase their needs in order to restore the confidence of the American public in their economic stability

"Whereas the United States is experiencing a business recession which threatens to affect adversely the economic stabilization of the country; and

"Whereas the general assembly believes that this is an unfortunate state of mind with which the citizens have permitted themselves to become imbued; and

"Whereas the general assembly believes that the continuing of prosperous business conditions is absolutely certain if the confidence of the public in the soundness of American economy can be restored; and

"Whereas the general assembly believes that if the President of the United States and the Congress will set aside a week during which the public will be urged to make every reasonable expenditure for necessities of the home and business within their financial means, that the greatest possible stimulus to business will result and the lagging confidence of the American public will be restored: Now, therefore, be it

"*Resolved by the senate (the house of representatives concurring)*, That the President of the United States and the Congress be memorialized to set aside the week of March 31 to April 5 as a time when the American public will be urged to purchase all of the necessities commensurate with their financial means in order to stimulate business and restore the confidence of the American public in its economy; be it further

"*Resolved*, That the President of the United States be memorialized to influence the newspapers and radio commentators against giving adverse publicity to our lagging economy and that they be urged to point out that the only thing that is needed to stem the tide is confidence and the abolition of fear; be it further

"*Resolved*, That copies of this resolution be forwarded to the President of the United States, to the Clerk of each House in the Congress of the United States, to each United States Senator from South Carolina, and to each Member of the House of Representatives from South Carolina in the Congress of the United States."

To the Committee on Finance:

"Concurrent resolution memorializing the Congress of the United States to enact legislation looking to the cancellation of all income taxes for a period of from 3 to 4 months of the next tax year

"Whereas the United States and the world are experiencing a business recession which threatens to effect adversely the economic stabilization of the entire country; and

"Whereas the general assembly believes that the continuing of prosperous business conditions is absolutely certain if the confidence of the American people can be maintained in the soundness of the business economy; and

"Whereas the general assembly believes that the means to this end are found in the placing of more available cash in the hands of the public with which to purchase the articles offered for sale; and

"Whereas, the general assembly believes that the most efficacious method of accomplishing this end and to place more cash in the hands of the public is by the reducing of taxes; and

"Whereas the general assembly believes that the most direct road to this end is through the cancellation of all income taxes due the Federal Government and scheduled to be withheld by employers for a period of from 3 to 4 months during the next taxable year. Now, therefore, be it

"*Resolved by the senate (the house of representatives concurring)*, That the Congress of the United States is hereby memorialized to enact suitable legislation looking to the cancellation of income taxes due the Federal Government for a period of from 3 to 4 months during the next taxable year; be it further

"*Resolved*, That copies of this resolution be forwarded to the President of the United States, to the Clerks of both Houses of the Congress of the United States, to each United States Senator from South Carolina and to each Member of the House of Representatives in the Congress of the United States from South Carolina."

Mr. PROXMIRE. Mr. President, this is the final day before the cut in dairy farmers' prices which has been ordered by the Secretary of Agriculture is scheduled to go into effect.

I have in my hand the veto message of the President of the United States.

Mr. President, I am sure the motives of the President are excellent. I have always assumed that to be true. I am sure the President always has been patriotic, and his motives are moral and decent. He is, of course, interested in the welfare of farmers. But the President of the United States is just plain wrong. He is ill advised. He is mistaken.

There are two items, however, which I should like to bring to the attention of the Senate. First, is the fact that all the President really recommends for the long term is the kind of program he previously recommended in the Presidential message delivered to the Senate in January. It is a program which would seek to return price supports to 60 percent of parity. Second, the message has been written in a complete vacuum, without any recognition of the fact that we are in a recession—in an economic slump—which seems to be getting worse instead of better.

I can think of nothing more unwise, Mr. President, than to further slash the purchasing power of farmers at the very time when we are all so tremendously concerned about restoring and increasing purchasing power in order to evade the disaster of a major depression.

Farmers represent a vital segment of our economy—far out of proportion to the number of people actually engaged in farming. Their major expenditures are not for personal consumption, but for production supplies and equipment.

United States agriculture is the largest user of petroleum in the world. American farmers buy 14.8 billion gallons per year—more than any one of the three United States military services. This is more than any other American industry.

American farmers use up more finished steel each year than is required for all the new passenger cars constructed in any year except 1955. The total consumption of steel by American farmers was 6½ million tons in 1957.

American farmers buy enough rubber to put tires on nearly six million cars a year—320 million pounds last year.

American farmers buy 25 billion kilowatt-hours of electricity—more than the combined cities of Chicago, Detroit, Houston, Baltimore, and Boston.

American farmers produce 65 percent of all the raw materials used in the United States. More than one-third of all employment stems from agriculture—on farms, in producing supplies, services, and equipment for farms, and in processing and marketing farm products.

Farmers net incomes have been driven down by 20 percent in the past 5 years. I can think of nothing more senseless and unfair, Mr. President, than to continue the cruel squeeze on our farmers at the very time that we are taking action in many other sectors of our economy to rebuild confidence, restore purchasing power, and expand the buying power of our people.

A POLITICAL PROMISE TO AMERICAN FARMERS—SPOKEN AND BROKEN

Mr. YARBOROUGH. Mr. President, when the President followed the advice of Agriculture Secretary Ezra Taft Benson and vetoed the measure to freeze crop price supports for just a year it was another blow to the farm families who already are receiving too little for the food they raise. A recent hearing before a House Appropriations Subcommittee showed that of every food dollar the housewife spends, only 40 cents goes to the farmer and 60 cents goes to the middlemen. I certainly have no quarrel with the middlemen for receiving a fair return on their investment. But I question a system where the man who produces the food gets far less for his work and his investment than the man in the middle of the line. Statistics show that the profits of some major chains have increased over 200 percent in the last 5 years, while the farmers' share of the food dollar has declined.

Mr. President, as President Eisenhower made his decision on our bill to hold price supports on farm products at their current level, I regret that he failed to follow his own promise to the farm people. All of us must recall his famous campaign speech to farmers at the plowing contest at Kasson, Minn., on September 6, 1952, in which he said:

> And here, without any "ifs" or "buts" I say to you that I stand behind—and the Republican Party stands behind—the price-support laws now on the books. * * * All I know of farmers convinces me that they would rather earn their fair share than to have it as a Government handout. And a fair share is not merely 90 percent of parity—it is full parity.

For the sake of the farm families and the good of the general economy of this Nation, I wish that the President, without any "ifs" or "buts," had taken the same stand that he pledged to take. It is tragic at this critical point, that he turned his back on the American farmer, and created additional unemployment when over 5 million men and women are hunting jobs. It was the small farmers of the United States, and not merely a candidate for office, who were plowed under by a promise at Kasson.

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

Mr. YARBOROUGH. I yield.

Mr. HUMPHREY. I just heard the distinguished Senator from Texas refer to a speech delivered in Minnesota. He also said it was made by a candidate for office. I was wondering who the candidate was, in light of the veto message we received this morning. The veto message has no similarity whatever to the speech which was delivered in Minnesota. What was the candidate's name?

Mr. YARBOROUGH. In response to the inquiry of the distinguished Senator from Minnesota, I was trying to draw a comparison between the candidate of 1952 and the officeholder of 1958. Of course I was referring to the present occupant of the Presidency. I was regretting that he should listen to his advisers instead of listening to a playback of a speech he made in Minnesota. I wish someone had made a tape recording of his speech so that it could be played back to him.

I served under the President in the European theater during the war. I admire him as a great leader, and also personally. I cannot understand why he lets his super advisers screen him so much from the people.

When I knew him he was always informed of what was going on at the front. I wish he knew what was going on at

the economic front in this country. I served as a staff officer of an infantry division, and I always found that he knew what was going on. If he knew what was going on at the economic front, we would have had his signature of approval instead of his veto.

Mr. COOPER. Mr. President, I, too, regret that the President has seen fit to veto Senate Joint Resolution 162, to maintain farm price supports this year at not less than the 1957 level. Nevertheless, I think it is unfortunate that some of those who supported the resolution have taken this occasion to ascribe to the President ulterior motives against the interest of the farm population of the United States.

I think it well that I make my own position clear now. When the matter next comes before the Senate I expect to vote as I did originally—that is, to override the veto. However, I think it unfortunate that the discussion of this farm measure, commenced as one in the interest of farmers and nonpolitical, has deteriorated into a political issue.

At the time the two measures were before the Senate, one of these resolutions would have maintained supports for dairy products. A few minutes after the first joint resolution, freezing support prices on all agricultural products had been passed, the opposing side saw fit to approve, and I believe defeat, the similar resolution which would have maintained existing support prices on dairy products.

Mr. President, I did not rise to discuss that issue. I shall probably do that later, when the matter comes before the Senate.

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

Mr. COOPER. I yield to the Senator from Utah.

Mr. WATKINS. Mr. President, I wish to express my full agreement with what the Senator from Kentucky has said about the farm measure and the veto of the President. I firmly believe the President and Secretary Benson are on sound ground, and that in the long run the veto will prove to be a wise one, indeed, and in the interest of the farmers.

I wish to point out millions of farmers in the United States who produce cattle and sheep for food and also produce fruits and vegetables, do not receive any help whatsoever under legislation providing price supports, and they will be pleased not to have a continuation against them of as much discrimination as there has been in the past.

Mr. COOPER. Perhaps the Senator did not hear my remarks in their entirety. What I was saying was that I regretted the disposition of some Members of the Senate to ascribe to the President, because of his veto, a purpose to drive down farmers' incomes.

I said that on my own behalf, I regretted the veto message had been sent to the Congress, and that I intended to maintain the position I had taken when the bill was before the Senate. I said further, that if a vote was taken, I would vote to override the veto.

Mr. WATKINS. Mr. President, I only heard a portion of the Senator's statement, and I thought that was the position he took.

Mr. COOPER. I understand.

Mr. WATKINS. With the explanation just made by the Senator from Kentucky in mind my position then is contrary to the position taken by the Senator from Kentucky. I intend to vote as I voted before. I shall vote to sustain the veto.

The PRESIDING OFFICER. The Chair is compelled to inform the Senator from Kentucky that 3 minutes have expired.

Mr. COOPER. Mr. President, I ask unanimous consent that I may proceed for an additional 3 minutes.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the Senator from Kentucky may be permitted 3 more minutes and that I may ask him a question.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and the Senator from Kentucky is recognized for 3 additional minutes.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. COOPER. I yield.

Mr. ELLENDER. I notice in the President's veto message he states:

> We must continue in the direction which the Congress set in 1954 and endorsed in 1956—changes in the direction of greater opportunity for adjustments made necessary by our ever-changing agriculture.

We followed the President's suggestion, as well as the recommendation of Secretary Benson, in 1956. Now we are being asked to change it all; the administration wants to further depreciate prices by lowering the minimum support level from 75 percent of parity to 60 percent of parity, is that not true?

Mr. COOPER. That is substantially correct. I will say to my friend from Louisiana that what I have said had no reference to his statement or his position. I have always found the Senator to be objective and fair in every matter. He always speaks his convictions, honestly and without bias.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, notified the Senate that Mr. DAVIS of Tennessee had been appointed a manager on the part of the House at the conference of the two Houses on the bill (H. R. 9821) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways, vice Mr. JONES of Alabama, excused.

The message announced that the House had passed, without amendment, the bill (S. 3262) to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, and for other purposes.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 9655. An act to permit articles imported from foreign countries for the purpose of exhibition at the Oregon State Centennial Exposition and International Trade Fair to be held at Portland, Oreg., to be admitted without payment of tariff, and for other purposes;

H. R. 9917. An act to continue the temporary suspension of duty on certain alumina and bauxite;

H. R. 10112. An act to make permanent the existing privilege of free importation of guar seed;

H. R. 11019. An act to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., to be admitted without payment of tariff, and for other purposes;

H. R. 11346. An act to amend title II of the Social Security Act to include Massachusetts among the States which are permitted to divide their retirement systems into two parts so as to obtain social security coverage, under State agreement, for only those State and local employees who desire such coverage;

H. R. 11407. An act to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders;

H. J. Res. 451. Joint resolution authorizing the 101st Airborne Division Association to erect a memorial in the District of Columbia; and

H. J. Res. 556. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California International Trade Fair and Industrial Exposition, Los Angeles, Calif., to be admitted without payment of tariff, and for other purposes.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 233) favoring Congressional recognition of the National Railroad Museum to be located at Green Bay, Wis., in which it requested the concurrence of the Senate.

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 President pro tempore:

S. 1082. An act for the relief of Katina Apostolou;

S. 2062. An act for the relief of Yasna Trevizan;

S. 2124. An act for the relief of Tasia J. Somas;

H. R. 5822. An act to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment; and

H. R. 8268. An act to amend section 512 of the Internal Revenue Code of 1954.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles, and referred as indicated:

H. R. 9655. An act to permit articles imported from foreign countries for the purpose of exhibition at the Oregon State Centennial Exposition and International Trade Fair to be held at Portland, Oreg., to be admitted without payment of tariff, and for other purposes;

H. R. 9917. An act to continue the temporary suspension of duty on certain alumina and bauxite;

H. R. 10112. An act to make permanent the existing privilege of free importation of guar seed;

H. R. 11019. An act to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., to be admitted without payment of tariff, and for other purposes;

H. R. 11346. An act to amend title II of the Social Security Act to include Massachusetts among the States which are permitted to divide their retirement systems into two parts so as to obtain social-security coverage, under State agreement, for only those State and local employees who desire such coverage;

H. R. 11407. An act to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders; and

H. J. Res. 556. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the California International Trade Fair and Industrial Exposition, Los Angeles, Calif., to be admitted without payment of tariff, and for other purposes; to the Committee on Finance.

H. R. 11574. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes; and

H. R. 11645. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1959, and for other purposes; to the Committee on Appropriations.

H. J. Res. 451. Joint resolution authorizing the 101st Airborne Division Association to erect a memorial in the District of Columbia; to the Committee on Rules and Administration.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 233) favoring Congressional recognition of the National Railroad Museum to be located at Green Bay, Wis., was referred to the Committee on Rules and Administration, as follows:

Whereas the American railroad has been of incalculable importance to the growth and development of our Nation in time of peace and a major factor in her defense in time of war; and

Whereas there has been established at Green Bay, Wis., the National Railroad Museum whose purpose is to afford recognition in perpetuity to the role of the American railroad in our Nation's early history by preserving the railroad rolling stock and other memorabilia of the age of steam; and

Whereas the city of Green Bay has donated a site for the buildings and exhibits to be erected as part of the National Railroad Museum, and the State Historical Society of Wisconsin, an official State agency, has undertaken the responsibility of developing and operating the National Railroad Museum; and

Whereas there has been donated or pledged to the National Railroad Museum early and rare steam locomotives, other rolling stock, printed material, photographs, broadsides and ephemera, including the Carl R. Gray, Jr., collection, thus insuring its place as a center for the preservation of significant physical evidence of American railroading's early history; and

Whereas the National Railroad Museum, as an educational institution of major significance to all Americans in its portrayal of the development of the American railroad and the lives of the inventors, managers, investors and workers who created the ties of steel that bind our country together, is of national interest: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby recognizes the National Railroad Museum as a memorial to the individuals who built and ran our early American railroads and as a fitting and valuable institution for the collection and preservation of the memorabilia of the age of steam locomotion; and be it further

Resolved, That the United States shall be put to no expense by the approval of this concurrent resolution.

MISTAKES OF MR. WARREN OLNEY III

Mr. O'MAHONEY. Mr. President, I rise to a question of personal privilege, and to call to the attention of the Senate a passage contained in an address delivered by Warren Olney III, then Assistant Attorney General of the United States, to the conference of barristers of the State bar of California, at Monterey, Calif., on October 3, 1957. The address was inserted in the CONGRESSIONAL RECORD of Monday, March 24, 1958 by the junior Senator from California [Mr. KUCHEL], commencing on page 5090. The address contains a remarkable paragraph—remarkable in the unwarranted inference it seems to impart, and remarkable in the lack of knowledge it displays. On page 5092 of the CONGRESSIONAL RECORD of that date Mr. Olney is quoted as follows in reference to sections 332 and 334 of title 10, United States Code, the statutes relied upon by President Eisenhower as authority for calling out the troops at Little Rock, Ark.:

There is nothing old about this statute and nothing new about its principle. The statutes to which I have just referred were revised and reenacted as recently as 1956. It is not without interest to note that the subcommittee of the Senate that approved this language was headed by Senator JOHN L. MCCLELLAN, of Arkansas, while the chairman of the full committee which unanimously approved its passage was presided over by Senator JAMES O. EASTLAND, of Mississippi. It passed both Houses without objection.

This paragraph is so at variance with fact, and is so filled with indefensible innuendo as to call into question the motive of the individual who made it.

In the first place, the enactment in 1956 to which Mr. Olney referred was, in fact, the codification of all of the military laws existing as of a given time. As any person learned in the law knows, codification does not amount to approval of any law. A codification only sets forth in one document all the existing law on a given subject without any change in substance—I repeat: without any change in substance—of such law. Therefore, contrary to the inference inherent in the Olney statement that codification meant that any member of the committee approved of this law, it meant only that we were willing to assemble all the law into one document. The chairman of the subcommittee and the chairman of the full committee, with the concurrence of the other members of the committee, only approved and reported the codification, regardless of the law contained therein, and that is perfectly consistent with the purpose of any codification.

The only other alternative would have been to delete from the codification sections 332 and 334 of title 10 of the United States Code, referred to by Mr. Olney, in which case they still would have been the law, uncodified. The Judiciary Committee had no authority whatsoever, in any way, to change the substance of any section or of any law contained in the codification of 1956, and, therefore, whether or not any given Senator agreed with the basic law involved in the codification was of no import. He was bound to accept existing law in a proper codification. We all know that if there is to be any change in substantive law, it must be done by Congress through the committee having jurisdiction—in this case the Armed Services Committee.

In order that the nature of a codification may be determined definitely, without reliance upon my interpretation thereof or the interpretation of Mr. Olney, I submit the legal definition of the word "codification" which appears in Black's Law Dictionary, third edition, and is as follows:

Codification. Process of collecting and arranging the laws of a country or State into a code, i. e., into a complete system of positive law, scientifically ordered, and promulgated by legislative authority.

In case there are those who may be curious as to why I rise to make this statement in regard to Mr. Olney's address, I wish to state that I do so because I was a member of the subcommittee handling the codification to which Mr. Olney referred. It is true that the Senator from Arkansas [Mr. MCCLELLAN] was the chairman of that subcommittee and the Senator from Mississippi [Mr. EASTLAND] the chairman of the full committee. However, as a member of the standing Subcommittee on Revision and Codification of the Committee on the Judiciary, I was the acting chairman of that subcommittee during the consideration of this codification and, as such, conducted the hearings and processed the legislation during its consideration by the subcommittee, the full committee, and on the Senate floor. This was at the express request of the Senator from Arkansas, who was so busy with the Committee on Government Operations that he could not give time and attention to this bill.

The Senator from Arkansas asked me to serve as acting chairman, and he naturally, under the circumstances, conferred upon me the full and absolute duties of chairman. There was no understanding, no restriction, and no suggestion of any attempt to control the action of the acting chairman. I say this because I want it clearly understood that what was done in that subcommittee by the chairman of the subcommittee was done by me and not by the Senator from Arkansas [Mr. MCCLELLAN]; neither was it done in any way by the chairman of the full committee, the Senator from Mississippi [Mr. EASTLAND]. I was as free to act with respect to any suggestions coming from the chairman of the full committee as I was with respect to

suggestions coming from the Senator from Arkansas.

During the entire period of our consideration, no question was ever raised by any person as to whether or not the sections referred to by Mr. Olney were improper for codification. This is true, so far as I know, of the action on the House side.

In order to set the record straight, I should like to relate in detail the history of this legislation and my participation in the consideration of the codification.

The sections to which Mr. Olney referred are a portion of H. R. 7049 of the 84th Congress, a bill to revise, codify, and enact into law title 10 of the United States Code, entitled "Armed Forces," and title 32 of the United States Code, entitled "National Guard." This bill passed the House on August 1, 1955, and was referred to the Senate Judiciary Committee on August 2, 1955. Subsequent thereto, in the second session of the 84th Congress, notice was published in the CONGRESSIONAL RECORD of March 7, 1956, by the chairman of the subcommittee on Revision and Codification [Mr. MCCLELLAN] advising any and all interested parties of the consideration of this proposed legislation by the subcommittee. A copy of that notice is as follows:

NOTICE CONCERNING H. R. 7049, AN ACT TO REVISE, CODIFY, AND ENACT INTO LAW TITLE 10 OF THE UNITED STATES CODE, ENTITLED "ARMED FORCES," AND TITLE 32 OF THE UNITED STATES CODE, ENTITLED "NATIONAL GUARD"

Mr. MCCLELLAN. Mr. President, on behalf of the standing subcommittee on Revision and Codification of the Committee on the Judiciary, I desire to give notice that the subcommittee now has under consideration H. R. 7049, 84th Congress, 1st session, and the accompanying report thereon, House Report No. 970, regarding the revision and codification of laws relating to Armed Forces, having passed the House of Representatives on August 1, 1955. Such revision deals with title 10, United States Code, entitled "Armed Forces," and title 32, United States Code, entitled "National Guard."

The purpose of this notice is to advise any and all interested parties of the consideration of this legislation by the subcommittee and that the subcommittee desires to have any statements or comments relating to the proposed legislation. The subcommittee realizes that the enactment of such a codification is a project of great magnitude and that a codification is limited to the revision and codification of existing law only, so that there will be no change in the statutes under discussion as they now exist. The statements or comments requested are for the purpose of allowing any and all persons to express a view as to whether or not in the proposed legislation, H. R. 7049, there has been a change in existing law.

The subcommittee desires that such statements or comments be forwarded to the Subcommittee on Revision and Codification of the Committee on the Judiciary, room 424, Senate Office Building, Washington, D. C., on or before March 28, 1956.

The subcommittee consists of the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. BUTLER], and myself, as chairman.

I desire particularly to call attention to the fact that throughout the entire processing of this legislation, time and time again, reference was made to the fact that the codification was limited to existing law exclusively and was in no sense the enactment of anything new or substantively different from existing law. I again call attention to the statement in the notice:

The subcommittee realizes that the enactment of such a codification is a project of great magnitude and that a codification is limited to the revision and codification of existing law only, so that there will be no change in the statutes under discussion as they now exist.

Let me add that it would have been impossible to amend the laws, as I have said before, without having had any proposed amendments sent to the committee having jurisdiction over the specific laws and the specific matters to which they referred. The bill came to the Judiciary Committee solely because it related to codification of the law, a matter under the jurisdiction of that committee.

Subsequent to the above-mentioned notice, the chairman of the subcommittee again published a notice in the CONGRESSIONAL RECORD, on May 28, 1956, setting the date for a hearing on this proposed legislation. This notice is as follows:

NOTICE OF HEARING ON H. R. 7049, CODIFICATION AND ENACTMENT INTO LAW OF TITLE 10, UNITED STATES CODE, ENTITLED "ARMED FORCES," AND TITLE 32, UNITED STATES CODE, ENTITLED "NATIONAL GUARD"

Mr. MCCLELLAN. Mr. President, on behalf of the Standing Subcommittee on Revision and Codification of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, June 1, 1956, at 10:30 a. m., in Room 424, Senate Office Building, on H. R. 7049, to revise, codify, and enact into law, title 10 of the United States Code, entitled "Armed Forces," and title 32 of the United States Code, entitled "National Guard." At the indicated time and place all persons interested in the proposed legislation may make such representations as may be pertinent. The subcommittee consists of the Senator from Wyoming [Mr. O'MAHONEY]; the Senator from Maryland [Mr. BUTLER], and myself, chairman.

At that point, as acting chairman of the subcommittee, I took over, presided at the hearing on June 1, 1956, and processed this measure throughout its life in the committee and in the Senate.

On June 22, 1956, as acting chairman of the subcommittee, I reported the bill, with amendments, to the full committee. On July 9, 1956, the full committee ordered the bill reported to the Senate. As acting chairman of the subcommittee, I reported the bill to the Senate. Such reporting appears in the CONGRESSIONAL RECORD, volume 102, part 9, page 12063.

On July 23, 1956, the bill was debated on the floor of the Senate. As acting chairman of the subcommittee in charge of the bill, and as the Senator who reported the bill to the Senate, I handled the bill on the floor of the Senate. My remarks in regard to the bill appear in the CONGRESSIONAL RECORD, volume 102, part 10, page 13944. In order to show that at all times no member of the committee or the Senate ever had reason to consider this codification or the sections referred to by Mr. Olney as anything other than a codification of existing law, I quote a portion of that statement:

Mr. President, I wish it clearly understood that no change of substantive law is included in this measure. It is a codification—that is to say, a restatement—of all the Armed Forces statutes, beginning with the earliest enactments the committee could find, and extending to modern times. No new law has been written into this measure; it is simply a restatement of existing law, with the elimination of laws which have become obsolete because the conditions to which they applied no longer exist, and changes of words made necessary in order to make the meaning clear.

As an added safeguard, section 49 of the bill specifically states that it is the legislative purpose of the bill to restate the existing law without changing it in substance. So this provision by its terms and its necessary interpretation makes it impossible to construe anything in this measure as a substantive change of law.

It expresses the well-established principle of statutory interpretation that a codification bill is a continuation of the source law, without substantive change, except where Congress clearly shows intent to do otherwise. The committee report reaffirms the fact that no substantive change is intended.

It should be absolutely and unequivocally clear at this point that no member of the subcommittee, no member of the committee, or no Member of the Senate gave any approval to any substantive law contained in the codification as might be inferred from the inaccurate and irresponsible statement of Mr. Olney. There was approval of gathering together, into one title the laws relating to the armed services. But as to any approval, inferential or otherwise, of the merits of any particular substantive law contained in the codification, the answer is "no."

In addition to all the foregoing, any person who would have taken the time to peruse the Senate committee report in regard to this bill, which is Senate Report No. 2484, 84th Congress, 2d session, would have found the following statement on page 15 of that report:

On October 23, 1950, the Office of the Secretary of Defense directed the preparation of a four-part title. It assigned to the Joint Army-Air Force Statutory Revision Group, with such help as the Navy group could spare, the responsibility for preparing the general subtitle in addition to the subtitles relating to the Army and Air Force. The directive made it clear that the proposed title was to restate existing law without substantive change.

Again, on page 19 of that report, it is stated:

The object of the new titles has been to restate existing law, not to make new law. Consistently with the general plan of the United States Code, the pertinent provisions of law have been freely reworded and rearranged, subject to every precaution against disturbing existing rights, privileges, duties, or functions. Adherence to the substance of existing law, however, has not always meant adherence to the letter of the statute. Where court decisions, opinions of officials such as the Attorney General or the Comptroller General, executive orders, regulations, or well-established administrative practice have established authoritative interpretations clarifying ambiguities in the law, the text has been reworded to express those interpretations. These changes have been explained in the applicable revision notes.

Again referring to the hearings in regard to this bill, let me quote the statement of Mr. Mansfield D. Sprague, General Counsel of the Department of Defense, who testified before the Subcommittee. He testified as follows:

I will not attempt to explore with you the many technical aspects of H. R. 7049. My main purpose is to give you the fullest possible assurance that the act does no more than restate the substance of existing law. It prunes away the dead law, it rearranges the live law, and it clarifies language, but its passage will only enact new substantive law.

Again, as appears on page 6 of the printed hearings, I addressed questions to Mr. Sprague; and the following are the questions and his answers:

May I ask you, Mr. Sprague, whether it is clear, you want to make it clear that you have satisfied yourselves that in the preparation of this codification the strictest care has been given to prevent the appearance anywhere in the document of new law?

Mr. SPRAGUE. Yes, sir.

Senator O'MAHONEY. This is strictly a codification of existing law; no changes have been made?

Mr. SPRAGUE. That is my opinion, sir.

Senator O'MAHONEY. And you have taken the necessary steps to satisfy yourselves that that is the case?

Mr. SPRAGUE. I have discussed it on many occasions with Dr. Dickerson. He has brought to my attention a number of questions that have come up. I have considered them myself and the previous General Counsels of the Department of Defense, Mr. Hensel and Governor Brucker, who is now Secretary of the Army, did likewise in the original codification which was submitted to the House of Representatives. I believe I can state for them also that it was their opinion as General Counsels of the Department of Defense, as it is mine, that the present act which is before you works no substantive change in the law.

Furthermore, let me call attention to another passage in the hearings, which should have been evident to anyone who took the time to study this matter. On page 5 of the hearing appears a letter from Charles E. Wilson, then Secretary of Defense, to the Senator from Mississippi [Mr. EASTLAND], the chairman of the committee, which stated in part as follows:

The act is purely a codification act since it makes no substantive change in existing law.

There is on file with the committee a memorandum of the work of the Ad Hoc Committee on Codification, of the Department of Defense; and it shows in detail how the sections referred to were dealt with by that committee. One paragraph from that memorandum which I deem to be in line with my remarks is as follows:

In making such changes in language the codifiers were careful not to disturb sensitive phrases and terms of art. For example, such phrases as "unlawful obstructions, combinations, or assemblages" and "by the ordinary course of judicial proceedings" were left intact. In short, the goal was to produce the clearest and simplest statement that could be made without making even a slight change in substance.

This clearly shows that there can be no inference that the bill referred to by Mr. Olney was anything other than a codification of existing law.

The legislation in 1956 referred to by Mr. Olney, therefore, was a codification or gathering together in one place of existing law on the subject matter, and was not in any sense an expression of approval of the substantive law contained in any title, subtitle, chapter, or section of the entire codification. That was not the prerogative of the Committee.

It appears that, aside from Senators and Representatives involved in this codification, persons outside the Congress were aware that this matter was a codification, and a codification only, and that there was no change in the substantive law, nor was any change intended.

It is amazing, to me, that a responsible official of the United States Government could not have the same perception as to the mechanics of a codification as did every other person I know of who was connected with this matter. To say or infer that a Senator or anyone who passed on this legislation approved of the substantive law contained therein, is, in its most favorable light, an expression of a complete lack of knowledge and understanding of the subject.

I cannot understand how any person having any knowledge of the process by which this codification was handled or having any knowledge of laws and court decisions dealing with codification can make a statement which directly leads to the inferential conclusion that any Senator approved of the basic law contained in a codification, when the absolute fact is that the substantive law is of no concern to any Senator but that he is only concerned with the fact that the codification correctly states existing law.

I dislike to feel obliged to challenge the accuracy of statements made by officials of the United States Government, but in this instance the inaccuracies are so pronounced and the inferences so unjustified that I feel it my duty to clarify immediately any misleading statements in regard to this subject.

Mr. President, let me say that I know that the junior Senator from California [Mr. KUCHEL] is absent from the Senate today. On last Friday I telephoned him, when my attention was called to the statement made by Mr. Olney; and at that time I advised the Senator from California that I would make this statement today in the Senate.

PROCEDURE DURING MORNING HOUR

Mr. WILEY. Mr. President, I am sure the visitors in the gallery who have been patiently listening for the past 2 hours wonder what goes on in the Senate. They wonder, first of all, because they cannot hear very well. On several occasions I have tried to have installed in the Senate apparatus to enable the visitors in the gallery to hear what is said on the floor of the Senate.

Of course, during the morning hour anything from soup to nuts can be placed in the RECORD, and that has occurred today. In view of the fact that this is an election year, such procedure is easy to understand.

Mr. President——

The PRESIDING OFFICER (Mr. SCOTT in the chair). The Senator from Wisconsin.

RELATIONS WITH SOUTH AMERICA

Mr. WILEY. Mr. President, earlier today the distinguished Senator from Florida [Mr. SMATHERS] and the distinguished Senator from New Mexico addressed the Senate on the subject of the relations between the United States and South America.

This morning it was my privilege to hear, in the Foreign Relations Committee, a very remarkable report on the relations of the United States with South America. The report was made by Mr. Rubottom, Assistant Secretary of State for Inter-American Affairs.

In the course of his statement, Mr. Rubottom said:

In the last few years there have been some significant and encouraging developments. The trend are toward constitutionality and political democracy, all of them taking form without intervention or prodding from the outside. The Organization of American States has established a system of cooperatiton for security and welfare that strengthens our faith in multilateral organs. We have seen it solve some difficult hemisphere political problems. The American Republics also seek mutually acceptable solutions to their common economic problems, as was demonstrated by the Economic Conference of the Organization of American States which met in Buenos Aires last August. At that Conference the Ministers of Finance or Economy of the American Republics defined more sharply the problems, discussed possible solutions, and made assignments for further studies designed to develop formulas and policies to permit expansion of their economic development. In the matter of security, our military relations with Latin America fall within the framework of the Inter-American Treaty of Reciprocal Assistance, signed at Rio de Janeiro, in 1947, which establishes the principle that an attack by any state against an American state shall be considered as an attack against all the American states.

A little later he said:

Latin America is still in the midst of an economic and social revolution. Despite its large population and the availability of extensive natural resources, most Latin American nations are unable to finance this progress from their own financial resources. While relying mainly on private enterprise, the United States recognizes that there is at present a gap in their requirements which needs to be filled if the obstacles to economic progress, which apply in varying degrees to most countries of the area, are to be overcome. There are deficits in the production of food and fuel; there are shortages of power and transportation facilities; health and education facilities are often inadequate; there is a shortage of administrative and managerial personnel, and excessive economic nationalism and rigid social systems are all too prevalent in some places. There is need for sound long-term official loans in many sectors, and we have told the peoples of Latin America that we shall do our best through the Export-Import Bank to satisfy their needs for sound development where capital is not available on reasonable terms from private sources or from the IBRD. The new Development Loan Fund is open to Latin America, and a number of proposals are now under

study. In addition, we are making local currency loans from the proceeds of the sale of United States surplus agricultural commodities.

Mr. President, at this point let me say that the economic and social revolution in South America is one thing President Eisenhower has not been blamed for up to date. Of course, the fact that coffee prices have dropped so greatly is another thing President Eisenhower has not been blamed for up to date. But there is no telling what is coming next from our ambitious friends.

All of us are aware that at the present time there is an overproduction of automobiles. That is another thing President Eisenhower has not been blamed for, up to date, but the election will not take plaee until November.

Of course, inasmuch as this is an election year, there are a few matters President Eisenhower is not blamed for by some persons. Efforts to blame the President are always provoked by discussions such as the one which occurred a few minutes ago on the floor of the Senate.

Let me say that there are a number of other matters which, thus far, the President has not been blamed for, but be patient.

VETO OF THE FARM JOINT RESOLUTION

I voted for the farm joint resolution, and I shall vote not to sustain the position of the President in vetoing the resolution. However, I must report that prices have risen, and I must report that I have heard from many farmers in my State who have at least sufficient charity to say that they think there may be two sides to the farm question; that the matter of overproduction of agricultural commodities is like the overproduction of automobiles, for which the President has not been blamed up to date.

The situation was well analyzed earlier today in the Senate by the Senator from New York. The problem is one of prices and consumption. The milk produced in Wisconsin for about 7 cents a quart is sold to consumers for 21 cents a quart. In the city of Washington, D. C., milk is sold for 27 cents a quart. The cost of distribution is responsible for the difference between the 7 cents and the 21 or 27 cents. That is why the farmer does not receive an equitable share of the consumer's dollar. I suppose that some would be tempted to say that the President was also to blame for that, for the high wages and the high costs of distribution.

Mr. President, I think it is about time—and I may say that the letters I receive reflect it—that attempts to blame the Chief Executive for economic ills, should stop. The President was elected by the people of the United States as Chief Executive and not as a legislator, and the attempts to blame him for the recession are not being received favorably. In that connection, I am reminded of attempts made the other day to "jump on" several Senators in one of the committees. We remember that attempts were made, a few years ago, to "jump on" Senator Taft, of Ohio. But what did labor do at that time, Mr. President? Labor gave Senator Taft the biggest majority he ever received. Trying to escape our own responsibility by blaming the other fellow, is an old game, and the American public is awake to that game.

Too many folks are trying "to make hay" for themselves with this technique. Publicity seeking has become a disease.

LATIN AMERICAN RELATIONS

Mr. President, I read further from the address by Mr. Rubottom:

1. MILITARY PROGRAM

It is important to remember that we have as much of a stake in the defense of Latin America as the Latin Americans themselves. The area is an important source of supply for materials of strategic and critical importance. It is essential also that the productive facilities, representing in part a heavy United States investment, and that the ocean routes over which ships carrying the commodities pass, be defended and protected. The objective of the military portion of our mutual defense program is to cooperate with our Latin American neighbors and orient our mutual military preparations toward the common defense of this hemisphere.

Our cooperation consists principally in making available suitable military equipment and training to specific units designated for hemispheric defense tasks in the 12 countries with which we have Mutual Defense Assistance Agreements. For fiscal year 1959 we propose that the Congress appropriate $54 million for this purpose. This may be compared with approximately $1 billion which the Latin American countries themselves spent last year for their military defense establishments.

2. BILATERAL TECHNICAL COOPERATION PROGRAM

The bilateral technical cooperation programs are essentially designed to demonstrate improved techniques and, through training therein, to assist Latin American countries to acquire the skilled local personnel essential to their economic development. They have been based on a common understanding reached by the two governments concerned that the technical cooperation provided was needed and justified on grounds of mutual self-interest.

Our bilateral technical cooperation programs are related to host country efforts in the fields of agriculture, education, health and sanitation, industry and mining, transportation and communications, labor, public administration, housing, and community development. They are designed to provide for the training of technicians and for demonstration projects directed at the practical solution of basic problems obstructing economic progress.

3. UNITED STATES CONTRIBUTION TO THE TECHNICAL COOPERATION PROGRAM OF THE OAS

As you know, over the years we have developed a mutually beneficial multilateral relationship with our neighbors to the south through the Organization of American States. This inter-American relationship has served as a model for the United Nations and other regional groups and points up the willingness in this hemisphere to share in and solve problems peacefully. Perhaps at no time in our history has it been more important for the United States to encourage the nations of the Western Hemisphere to continue their effective participation in the Organization of American States.

This body conducts a small multilateral technical cooperation program which the United States supports on a voluntary basis in conjunction with all of the other American Republics. This technical cooperation program is unlike the United States bilateral and U. N. programs, which provide technical assistance to individual countries, in that it consists entirely of regional training activities at regional training centers. The OAS technical assistance funds are used to support special training staffs and to provide fellowships for trainees from all of the countries of Latin America to attend the centers, which have been established in conjunction with existing educational facilities, or to attend special seminars, workshops, et cetera.

Mr. WILEY. Mr. President, I turn now to another subject.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

RESEARCH BY UNIVERSITY OF WISCONSIN SETS OUTSTANDING STANDARD FOR AMERICA

Mr. WILEY. Mr. President I desire to speak for a few minutes in regard to educational research by the University of Wisconsin which sets an outstanding example for America.

Before doing so I may say that an answer to the Kremlin was given at 1 o'clock today by the President, and by British Prime Minister Macmillan, and by the Premier of France; defining our joint position in relation to the proposition of the Kremlin. I suppose their statement will be published in the newspapers this evening. There is no question that the President and the executive branch of our Government have been negotiating and seeking, through every possible avenue, to find a basis of understanding that can be enforced. However, as was stated recently in an article published in one of the magazines, the United States had 52 agreements with the Kremlin, but the Kremlin violated 50 of them. We do not want merely an agreement? Some time ago the Kaiser said a treaty was but a scrap of paper. The Kremlin has demonstrated that it agrees with the Kaiser's statement.

That is not the American way. When we make an agreement, we keep it. We have found, from our experience with Khrushchev, that the Kremlin does not keep its agreements. The percentage of agreements broken by the Kremlin is 50 out of 52.

If anyone wants to get the low down on the matter of agreements broken by Russia, I invite him to read the article appearing in this month's Reader's Digest on the history of our dealings and the dealings of other countries with the Bolsheviks and Communists. They and we have definitely come to put no faith in what the Soviets say.

What does that have to do with the situation in America today? It has this to do with it: We are not going to have another Pearl Harbor. We are not going to be sucked into complacency. Instead of having 2 years to get prepared, we must have our intercontinental missiles ready to go into action in 15 minutes. When we talk about negotiating, let us make sure that whatever is negotiated can be enforced and the agreement kept.

Mr. President, on March 14, I pointed out in the CONGRESSIONAL RECORD the significance of a most constructive Citizens' Conference on Educational Research which had been held on the University of Wisconsin campus.

This citizens' conference represented the sort of grassroots leadership in the field of education which is so essential if America is to strengthen its primary, secondary, and higher education to meet the challenges of the atomic-space age.

I have been pleased to receive from Dean Lindley J. Stiles, of the school of education, of the university, the text of the remarks which were delivered at the citizens' conference. Included among these remarks was a fine address by Gov. Vernon W. Thompson.

There was an excellent statement by State Superintendent of Public Instruction George E. Watson. Helpful comments were made by Mr. Helge Holst, treasurer of the Arthur D. Little, Inc., on what research means to American industry and its challenge to education.

Since space is limited, however, so far as reprinting is concerned, I should like to call the attention of my colleagues to but a few excerpts of some of the other very important presentations made at the conference. Were it possible to reprint in entirety all of the remarks, I should gladly do so because each of the talks proved so very constructive. There follow, however, a few of the portions of several of the statements. The first was a message from Secretary of Health, Education, and Welfare, Marion B. Folsom, commending the conference.

The second was the welcome address of President E. B. Fred, of the University of Wisconsin. The third was the fine statement by the dean of the graduate school, Dr. Conrad Elvehjem, who is to be the next president of this great institution.

And finally, there are included excerpts from Dean Stiles' statement.

I believe that these abridged portions will, despite the limitation of their brevity, provide helpful background tools in our future consideration of aid-to-education legislation.

I ask unanimous consent that these comments be printed at this point in the body of the RECORD.

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

MESSAGE FROM SECRETARY MARION B. FOLSOM TO THE PEOPLE OF WISCONSIN, PRESENTED BY DR. HERBERT S. CONRAD, DIRECTOR, RESEARCH AND STATISTICAL BRANCH, UNITED STATES OFFICE OF EDUCATION, WASHINGTON, D. C.

Your statewide Citizens' Conference on Educational Research, opening today on the University of Wisconsin campus, provides another example of the leadership for which the university and the other sponsoring organizations are well known. It is also an evidence of the kind and degree of public interest that is needed to fulfill our hopes for the future of American education.

On behalf of the Department of Health, Education, and Welfare and the Office of Education, let me say that your imagination and vision in developing such a conference is very heartening. The initial success of the cooperative research program through which the Office of Education works with institutions of higher learning and State educational agencies has illustrated that a constructive partnership approach to the problems of research can be made by all levels. The University of Wisconsin has been among the Nation's foremost in recognizing the potential of this new program, and as an active participant has put forth consistently high-quality effort.

Commissioner Derthick joins me in wishing you great success in this unique undertaking.

EXCERPTS OF WELCOME PRESENTED BY DR. E. B. FRED, PRESIDENT, THE UNIVERSITY OF WISCONSIN

It is a pleasure for me to welcome you to the university.

The welfare of education in this State, at all levels, is a primary concern of this university. And the university's traditional method of solving problems in all fields is through research.

Your presence here today indicates that you are aware of the many challenges which face this State in providing the quality and types of education which will best prepare our children for good and productive lives. I need not review those challenges.

It might be well, however, to list some of the factors which will help us meet them:

First, the deep and abiding faith which the people of this State have in the value of education. Wisconsin citizens have developed and supported an educational system which ranks high in the Nation.

Second, our State's willingness to experiment. Wisconsin welcomes change and progress. Although our people respect the traditional, they have the courage to pioneer, and they have experienced the benefits of research in many fields.

Third, our State has made its university one of the Nation's great research centers. And the university, in turn, has concentrated much of its research on studies aimed at solving problems of our State.

United States Commissioner Lawrence G. Derthick recently cited the University of Wisconsin as a leading institution in research upon educational problems, and praised the corps of Wisconsin research workers now engaged in these studies. The nature and some of the results of this research will be exhibited to you during the day.

EXCERPTS OF ADDRESS PRESENTED BY DR. CONRAD ELVEHJEM, DEAN, GRADUATE SCHOOL, THE UNIVERSITY OF WISCONSIN—WHAT RESEARCH HAS DONE FOR WISCONSIN

Our civilization is built on observations or research activities by certain individuals. Crawford H. Greenewalt, president of E. I. du Pont de Nemours & Co., emphasized this in the following words: "Behind every advance—is a germ of creation growing in the mind of some lone individual—whose dreams waken him in the night while others lie contentedly asleep." We, then, are the beneficiaries of the dreams of these men and women.

Secondly, we must remember that research knows no boundaries. All of us living in the State of Wisconsin have been beneficiaries of dreams from all parts of the world. Furthermore, the contributions made by outstanding research workers in the State have benefited people in many parts of the world. This does not mean that the State of Wisconsin should not carry its fair share of research in all areas. Furthermore, we benefit at least temporarily by pioneering activities resulting from research.

With present specialization we need to select a certain percentage of our total population to spend full time on research, and this program must be supported by the rest of our citizens. Today we look to the universities with their faculties and graduate students as the main source of basic research. This has not always been true, since we can look back in history and find many developments which took place outside the university walls. We need then organized research with specialization in many different areas. In spite of the great benefits that have come from research in many different disciplines, it is apparent that the activity is rather recent, and that research has not always been as popular as it is today. I was greatly impressed by a statement I saw a short time ago, namely, "Try to find the word research in the 30 pages on universities in the 1910 edition of the Encyclopedia Britannica."

Let us return to Wisconsin, and since the university is considered the research arm of the State we might reflect briefly on the development of research in our own university. In the early days, research by our faculty was done in extra hours and it remained some time before research was specifically recognized in the budget. Development of research at Wisconsin followed two lines of evolution. One was the German concept of the university research, that is, careful and thorough investigation, which was transmitted to the American universities largely through research at the Johns Hopkins University which was opened in 1876. The other line of development followed research in agriculture and engineering and developed through the land-grant program. The former program was closely integrated with the graduate school and depended upon the use of graduate students for conducting some of the work. The second program followed more along the lines of hiring full time, mature individuals for conducting the research, together with some help from technical employees. At Wisconsin these two developments may be directly linked to specific names. In 1890, one of the professors in the college of agriculture, S. M. Babcock, announced the invention of a simple, quick and accurate device to determine the butterfat content of milk. The immeasurable value of the Babcock milk test to the dairy industry and Babcock's refusal to patent the process won for him and the university wide acclaim. However, this work clearly demonstrated that a university professor could produce something of immediate practical value, but did not dim his scientific curiosity or his emphasis on basic research. A few years later, in 1892, Richard T. Ely was invited to come to the university from Johns Hopkins which at that time was the leading graduate school in the United States. He came to Wisconsin to organize the school of economics, history, and political science, which was the beginning of a strong program in social sciences so well known at Wisconsin.

To be sure, research in agriculture was given greatest consideration by our State legislature, and in 1881 the State legislature appropriated $4,000 for the use of the professor of agriculture to carry on experiments on the cultivation of amber and other varieties of sugarcane. But, for us today, I think it is perhaps more significant to emphasize that an earlier grant for research was the act of the State legislature in 1876 which set aside from tax levies for the university a sum of $3,000 per annum for the support of astronomical work and instruction. Even more important was the fact that this led directly to the gift of C. C. Washburn for the construction of the observatory completed in 1882. Today, 75 years later, a new observatory is being constructed, but again from gift funds. I am sure that Dean Stiles will have more to say regarding the proper use of tax money for the stimulation of gift money for research in certain areas.

The fact that the early economy of this State was based on agriculture and that both W. H. Henry, who was dean of the college of agriculture from 1880 to 1907, and H. L. Russell, who was dean from 1907 to 1930, were interested in research, a program of experimental work in this area was started which grew beyond all expectations. Henry was trained in the fundamentals of botany and Russell in bacteriology, but both saw many possibilities in the application of basic knowledge. In the early development of agricultural work we find the following statement: "The confidence of the farmers in the scientific investigations was not unlimited

when Henry succeeded in getting the Wisconsin station established by State action in 1883, but antiscientific attitudes were rare among farm leaders." The oldest organized program for the support of research came shortly thereafter in the name of the Hatch Act of 1887 which established agricultural experiment stations and authorized the use of Federal funds to promote scientific investigations and experiments respecting the principles and applications of agricultural science. Dean Russell was not only interested in research himself, but he made it a point to add to the staff individuals who were to become leaders in research. In 1919, after he had been dean 12 years, he wrote, "There has been a significant improvement in the character of research in this station in the last 10 years. More and more of our work is partaking of a fundamental character and one in which a better training of investigators is required for its prosecution."

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I have time here to mention only a few basic developments in agriculture. The methods developed by Professor Truog in soils gave us a method for determining the fertility and the proper conditions for growing crops at an increased efficiency. The development of hybrid corn, hybrid oats, and so on has added millions of dollars to the income of farmers in this State and many other areas. For example, not a single variety of wheat produced in 1900 is still in production today.

Contributions of Wisconsin plant pathologists to the prevention of plant disease is known the world round. The early work on the "yellows" in cabbage which was overcome by the breeding of disease resistant cabbage through the application of basic genetics. Later wilt resistant peas were developed through the cooperative efforts of plant pathology, genetics and agronomy. Finally disease resistance was linked with the presence or absence of specific chemical compounds in the plant.

Our entomologists have made important contributions to the protection of our plants and crops from insects. In 1954 it was estimated that the damage due to insects in the United States was $2 billion, only slightly less than $2.8 billion from plant diseases. The early work of H. L. Russell on gaseous fermentation and the bacteriology of canning gave us the background to our modern canning industry.

A new era in the field of nutrition was developed by the early workers at Wisconsin and this laid the background for the discovery of vitamins. Scientists at Wisconsin have had a hand in work on every one of the known vitamins and all the mineral elements, both macro and micro, which are essential in nutrition.

* * * * *

In Wisconsin and in many other parts of the United States, it is hard to separate research and agriculture and medicine. The work on vitamins and minerals has practically eliminated deficiency diseases in this country. Fortunately, many of these diseases were never rampant in Wisconsin because of our improved farming and diversified agriculture. Many types of infectious diseases have also disappeared, but again the story of success is closely linked to Wisconsin and the cooperative efforts of agriculture and medicine. Dr. E. A. Birge, later to become president of the university, pioneered in the field of bacteriology and these early studies were expanded by Russell, Frost and Hastings. Their work led to the tuberculin test in cattle and later the elimination of this source of infection for human beings. The results of this work are now available to all; and thousands of lives were saved in Wisconsin because of this pioneering effort.

Even extensive developments in antibiotics are linked to Wisconsin. Although penicillin was discovered in England and new strains of mold for the production of penicillin were found in other laboratories, the tremendous increase in production so urgently needed during the war came out of developments made by our botanists and biochemists. The use of antibiotics in medicine is familiar to all of you.

* * * * *

Deficiency diseases and infectious diseases have been conquered to a large extent, but unfortunately we cannot say the same about the degenerative diseases and mental diseases, but again pioneering work in Wisconsin led to programs which are now extensively used in handling these diseases. The techniques used today in the diagnosis of heart abnormalities are based on the early work of Meek and Eyster in cardiac physiology. The most fruitful approaches to mental health depend upon the early experiences of Loevenhart, Lorenz and Bleckwenn of our medical school. These drugs were not called tranquilizers at that time but had the same physiological effect.

We could go and mention the work of Irving, VanHise and Leith in geology which was so important in the exploration of iron and copper ores and later led to the sound approach to world mineral resources. In the field of engineering we had the early work of Hart and Parr on internal combustion engines which was the background for our present day automobile. Unfortunately, these men made their commercial development in Iowa rather than Wisconsin. Similarly, Burgess pioneered in chemical engineering or electro-chemistry but left the University to develop his well-known battery company. One cannot refer to engineering at Wisconsin without mentioning the work of Professor Bennett in electrical engineering and E. M. Terry in physics which led to the first broadcasting station in the country, now known as WHA. As we look into these contributions, the significance multiplies with the mention of each piece of work.

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I was asked to talk on what research has done and not to make predictions for the future. However, I might be permitted to make one comment, namely, that professional teachers are probably like our family physicians in that they are too busy with their daily problems and with the students with whom they deal to give much attention to formal research. Both groups may make significant observations, but they do not have time to communicate their findings, that is, to weigh the evidence and present unbiased conclusions. This is perhaps a fortunate situation and I hope we will always have a true teacher and a family physician. But they must always be alert to new findings and the application of these findings. However, I also hope that along with these very important individuals we will have those who devote themselves to pure research, whether it be in medicine or education, and I am happy to know that the theme of this program today involves the methods of finding these individuals and supporting them properly so that they may make these very important and urgent observations.

EXCERPTS OF ADDRESS PRESENTED BY DR. LINDLEY J. STILES, DEAN, SCHOOL OF EDUCATION, THE UNIVERSITY OF WISCONSIN—WHAT RESEARCH CAN DO FOR EDUCATION

As a direct result of research now under way knowledge is being put to work to improve schools and the learning of Wisconsin's boys and girls.

1. Over 200 highly gifted students have been identified in Wisconsin elementary and high schools. Recommendations have been made to their parents and teachers regarding educational programs they should follow to develop their talents to a maximum.

2. We have learned that children in schools in reorganized districts learn more than do those of comparable ability in small school districts. Already this knowledge is helping communities make decisions regarding patterns of school-district organizations.

3. The fact has been established that the beliefs of rural people about what makes a good school are highly related to the kind of neighborhood in which they live. Those in communities composed largely of the same national religious backgrounds are more like to oppose educational improvements. New school ideas flourish more easily in mixed groups. Such knowledge is a valuable guide to school boards and administrators, as well as to lay citizens, who seek to bring about educational change.

4. It is known that students who have had the benefit of organized guidance services in elementary and high schools are more likely to attend and complete programs of post-high-school education; progress faster in employment during the 5 years following high school graduation; make greater scholastic achievement in college; make sounder and more lasting vocational choices; recognize their strengths and weaknesses better and seek to improve themselves; and that they find greater satisfaction in their work.

5. Reliable knowledge about developing good handwriting has been established. For example, the long-followed practice of placing big pencils in little hands has been proven to be wrong.

6. Selected students of outstanding intellectual abilities can move to college early, at the end of the sophomore year in high school, with profit to their educational development and without loss to their social adjustment.

7. Our knowledge about the physical growth, strength, and dexterity of mentally retarded children as compared to normal boys and girls is much expanded. We now are beginning to doubt the belief that the very bright child is also physically larger than his classmates.

8. Programs and techniques for research on problems of mentally retarded children are being strengthened.

These are samples of the knowledge that is being identified to help improve schools. They are cited to strengthen our faith in the value of educational research.

Continuing research efforts promise to find answers to such important questions as:

1. What are further strengths of reorganized districts? Do young people who attend high schools in such districts achieve greater scholastic success in college? Is school achievement in basic subject fields, such as science, mathematics, foreign language, history, and English superior in schools in reorganized districts? Do the added costs to rural communities of these districts coincide with increases in academic achievement in high school and greater success in college and work careers? Is there a difference in the social-behavior patterns of boys and girls in reorganized and nonreorganized school communities?

2. What levels of intelligence and academic ability are needed for profitable study of such fields as science, mathematics, and foreign language?

3. Have we underestimated the ability and industry of high-school students in the past and present practice of limiting to four courses the number of solid subjects studied at a given time in high school? To what extent can we increase the number of subjects to provide many with more education during their high-school years?

4. What study skills and habits are needed for successful college work? Are these different from those emphasized in high schools?

5. What adjustments can be made in high-school programs, in different-sized schools, to permit greater numbers of students of high

intellectual ability to accelerate their educational programs by taking advanced courses for college credit while still in high school?

6. How can institutions of higher learning conserve the intellectual talents of many good students who withdraw from college? Why do almost half of the top quarter of students who enter college not complete their programs? Is the quality of teaching provided undergraduate students a factor in student success in college?

7. How can students be helped to acquire, at all levels of the school system, knowledge and skills in various subject fields more rapidly and with greater permanence?

8. How should science and mathematics courses be reorganized to accommodate the new knowledge that must be mastered in high school to facilitate successful college study? How can high school and college courses in these fields be coordinated to conserve the time of students and to improve the efficiency of educational programs?

9. What needs to be done to persuade the best students to choose to teach? How can school systems recognize and reward excellence in teaching so that the best teachers will continue to teach?

10. How can programs of preparation for teaching be strengthened to guarantee that teachers are: First of all, the best examples of educated people; secondly, that they have developed sound and thorough scholarship in the subject field to be taught; and, equally important, that they have developed skill in the art of teaching?

11. How can programs of education for the mentally retarded be made more efficient? To what extent can money be saved by expanding in local communities programs of education for the handicapped who otherwise would have to be institutionalized?

These are suggestions of many basic and critical educational problems confronting our schools that will be solved only through research. Many other complex questions could be listed. Some everyday school issues, such as the best time to change from manuscript to cursive handwriting or the desirability of grouping gifted students separately, which evoke heated arguments among teachers and laymen, would better be treated by systematic research. As long as those in charge of schools must operate in the dark without the benefits of established educational truths, communities can expect only makeshift, trial-and-error approaches to improve schools. Such practices, at best, are costly—in money, time, and educational development for children.

ECONOMIC CONDITIONS

Mr. SMATHERS. Mr. President, this morning on several occasions we have heard reference made to the fact that we are in some kind of recession and rapidly moving toward a depression. I think it is rather obvious that the country is seeing, in addition to many other factors, what has come to be known as a very substantial buyers' strike. That conclusion is reasonable, because, when we look at bank-deposit statistics today, we find there is on deposit $6½ billion dollars more than there was 1 year ago.

Furthermore, we find approximately 2 million more individual bank deposits than there were a year ago.

We find that the personal incomes of those who are working have not in any substantial measure decreased. What has happened is that the people who have money are saving it. They are not spending it, because they are uncertain about what is going to happen in the future. So we see we have a buyers' strike.

Many programs have been recommended to induce people to buy. Some economists believe—I certainly do—that we must initiate a program to bring about a lowering of prices so as to induce people to buy. I have heard some labor economists state that they thought the answer was in bringing about an increase in wages. From the studies I have made, I do not believe that would afford a solution to this particular problem. It would not be the answer because there is no evidence whatsoever that anyone whose income has been increased by reason of a higher wage would buy so-called consumers' or hard-goods items now on the shelves and accumulating in plants and stores.

Moreover, if there should be an increase in wages, the cost of living would increase for everyone, because, as we all know, the cost of the increase in wages would be passed on to consumers, with the result that the situation in which we find ourselves would be worsened rather than helped.

From listening to witnesses who have appeared before the transportation subcommittee, it occurs to me that the removal of the 3 percent excise tax on freight would be the best way to bring about a lowering of prices and to create an incentive for people to buy. If we eliminated the 3-percent excise tax, it would, in fact, increase the purchasing power of the people of the Nation, because by reducing the cost of articles each citizen would be able to purchase more of the things he needed or wanted.

I do not believe we realize how restrictive the 3 percent excise tax has been on business. I have an illustration before me which I should like to read for the information of the Senate, and I hope Senators who are not present and who will look at the RECORD will read this particular illustration, and discover what has happened as a result of the 3 percent tax on freight. The tax on the transportation of goods pyramids and results in an inflation of prices and a false value, and the illustration shows why it is important to get rid of that tax.

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

Mr. SMATHERS. I am happy to yield to the Senator from Wyoming.

Mr. BARRETT. At the outset I wish to indicate that I agree with a good many of the statements the distinguished Senator from Florida has made, particularly with reference to the repeal of the transportation tax on persons and property.

I note the Senator has stated that savings accounts are in a higher amount now than they have been in a long while. People have money in banks. Our employment figures are probably the highest since wartime. While it is true that there are some 5 million people unemployed—and we regret that very much, and we are taking steps to provide employment for them—I am immediately concerned with one statement made by the distinguished Senator to the effect that we are rapidly approaching the point of a depression, and not a recession.

I should like to ask the Senator from Florida if he does not agree with me that confidence is the one thing which would cause people who have large saving accounts to use the money to expand industry and provide jobs, and if it would not be a better policy to preach optimism rather than to predict a depression.

Mr. SMATHERS. I would certainly agree with the able Senator that what we lack today is confidence, and when I say "we," I speak of the general public. I think if somehow confidence could be reestablished in every one of us, people would buy. I refer to confidence in the future, confidence that the Government will protect the interests of everyone, confidence that there will be a restrengthening of our economy. If confidence were restored, yes, people would begin to buy and make plans for expansion of plants. That is the kind of spirit we need. I agree with the Senator on that point.

Mr. BARRETT. I am glad to hear the distinguished Senator say that. It seems to me that instead of making statements such as the Senator made a moment ago—rather unguardedly, I hope—namely, that we are approaching a depression, the Senator should be satisfied with saying that we must take steps to remedy the situation presently existing. Even in the past 5 years there have been times when a good many of our people were unemployed, which condition was corrected in a reasonably short time; and we hope it will be this time.

Mr. SMATHERS. I thank the Senator from Wyoming. I must say we cannot be sure of the steps we need to take to correct the situation until we know what the situation really is. There is no sense in indulging in some of the programs we have undertaken and are contemplating unless we are proceeding to a better point from an existing point. The point from which we are now proceeding, and which we hope we will quickly leave, is the point and—I do not wish to make the Senator unhappy—but I must say a point of depression.

I agree we must turn our eyes forward. We must look upward. We must not rake through the ashes of past mistakes. But we must realize that we are in a serious condition. Realizing we are in a serious condition, then we must take constructive action to relieve it.

We are now considering what we must do. We are considering the need for eliminating some of the taxes, which will help lift us from the generally depressed condition in which our economy finds itself.

I am not trying to assess blame against anyone. I merely say I think we all realize the conditions which exist today.

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

Mr. SMATHERS. I yield.

Mr. BARRETT. I am certainly not accusing the Senator of assessing any blame. The Senator has taken steps to help the small-business community of this country, and I believe therein lies the possibility of giving employment to

most of those who are unemployed at the present time.

In order to accomplish our purpose, we must instill confidence on the part of the small-business industries; we must make the small-business men feel that the economy of the country is sound, and that there is nothing to lead us to believe there is a depression ahead in the foreseeable future.

Mr. SMATHERS. One of the great inequities, so far as the small-business man is concerned, is the 3 percent excise tax on freight to which I have referred, because the small-business man does not have sufficient capital to permit him to purchase for himself a whole fleet of trucks, to carry his goods to the market, thereby avoiding the payment of the 3-percent tax. The small-business man has to ship his goods over the lines of the ordinary common carrier. When the small-business man makes a shipment, he must pay the 3-percent tax on the goods. When the goods go to the distributor, a 3-percent tax is applied again.

Immediately, the small-business man is placed in a position where he cannot compete in the face of the very discriminatory, inequitable, 3 percent excise tax.

Mr. BARRETT. I may say to my distinguished colleague, the tax is a terrific burden upon the people who live in my section of the country, far away from the large industrial centers. We hope the first item taken up in the line of a tax reduction will be the repeal of the transportation tax.

Mr. SMATHERS. I thank the Senator. I should like to give a couple of illustrations with regard to the 3 percent excise tax on freight.

As I say, I hope Senators and others will read the RECORD tomorrow and understand the situation.

Mr. HUMPHREY. Mr. President, will the Senator yield at this point?

Mr. SMATHERS. I am happy to yield to the able Senator from Minnesota.

Mr. HUMPHREY. I think every Member of the Senate owes a debt of appreciation and obligation to the distinguished junior Senator from Florida for the hard work and long hours he has devoted to solving the problems of transportation. I know hearings were held until late in the night because many of the transportation services are in difficulty. All of us respect the Senator's judgment, his observations, and his conclusions.

I desire to associate myself with the Senator's recommendations relating to the 3 percent transportation tax and its repeal. I also wish to associate myself with the remarks the Senator is making relating to our economy and the action which needs to be taken to give it a vitality so urgently needed.

Mr. SMATHERS. I am grateful to the Senator from Minnesota for his customary generosity toward me and other Senators. I must say, in all candor, while I thank the Senator and immodestly admit we have been working very hard, I observe present in the Chamber the able Senator from Kansas [Mr. SCHOEPPEL], who has loyally sat with us during the past 11 weeks and listened to the various witnesses not only from the transportation industry but also from the field of economics and the financial world, who have testified about how best to help our economy through aid to transportation. I am grateful to the Senator for the wonderful work he has been doing.

Mr. President, in order to give some idea of how the 3 percent excise tax pyramids upon itself—not representing simply one item of 3 percent, but a growth and a continuation of growth, which actually inflates the price of most items people buy—let me start out with the wood chips from the mill to the pulp plant. A 3 percent excise tax is applicable to that transaction. From the pulp plant to the spinning plant another 3 percent excise tax applies. From the spinning plant to the weaving plant another 3 percent excise tax is applied. From the weaving plant to the sewing plant another 3 percent excise tax is applied. From the sewing plant to the retailer another 3 percent excise tax is applied; and then, if the retailer decides he wants to ship the goods somewhere, of course another 3 percent excise tax is applied.

There are at least 5 separate assessments of a 3 percent tax on the freight for what really is 1 article.

With respect to scrap metal, from the assembly plant to the baling plant a 3 percent excise tax is applied. From the baling plant to the steel plant a 3 percent excise tax is applied. From the steel plant to the refrigerator manufacturer another 3 percent tax is applied. From the refrigerator manufacturer to the wholesale distributor another 3 percent excise tax is applied. From the distributor to the retailer another 3 percent excise tax is applied. So it will be seen that five separate and distinct items of a 3 percent tax are finally assessed against the cost of a refrigerator to the consumer.

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

Mr. SMATHERS. I am happy to yield to my friend from Oregon.

Mr. NEUBERGER. I wish to echo what our friend, the Senator from Minnesota [Mr. HUMPHREY], said about the contribution being made by the Senator from Florida and his colleagues who serve on the Surface Transportation Subcommittee. I think their hearings are vital not only to the railroad industry but to all transportation in general, and, of course, to our country. If we do not have solvent and successful transportation facilities, then our Nation will be weak, indeed, not only economically, but from the standpoint of national defense.

I help to represent a State in the Senate which, during the past 6 months, has either had the highest rate of unemployment in the Nation or the second highest rate of unemployment. A great deal of such unemployment has been in the railroad industry. There are men on the extra board of the great railroads which serve the State of Oregon, men who have been awaiting employment for months and months, on lines such as the Southern Pacific, the Union Pacific, and the northern lines which come into Oregon over the route of the Spokane, Portland & Seattle, and so forth. All of those men are looking hopefully to the subcommittee headed by the distinguished Senator from Florida to work out some solution which will help America's railroads not only to be more efficient and more effective, but also to be solvent financially.

I am particularly grateful to the Senator from Florida for emphasizing the discriminatory features of the transportation tax. I think we in the Pacific Northwest, the region in our country which is farthest distant from major American markets, bear the brunt of the transportation discrimination. A State such as the State of Wyoming, which, the able Senator from Wyoming helps represent, is also discriminated against, but is discriminated against to a lesser degree than the State of Oregon, for example, because of the 800 miles which separates Wyoming from Oregon on the main line of the Union Pacific.

We have a country in which the population is disproportionately located. Most American consumers live in a relatively small area around Pittsburgh. Therefore, the people who grow the citrus fruits in Florida, the people who raise beef in Wyoming, the peope who raise grain in Kansas, or those who produce lumber in Oregon to serve the consumers must bear the brunt of the 3 percent transportation tax, which sets on their shoulders as the old man of the sea sat on the shoulders of Sindbad the Sailor.

It does not seem to me that the distinguished Senator from Florida is rendering a great contribution by stressing the facts with relation to this tax. It is my hope that when there is a suitable time, and an appropriate hour comes, the Senator and his colleagues on the Surface Transportation Subcommittee will take the lead in this Chamber in introducing an amendment which will call for repeal of the very unwise and unsound form of taxation we are presently discussing.

Mr. SMATHERS. I am very grateful to the Senator from Oregon. I know of his longtime interest in the matter. I recall the Senator from Oregon wrote for Coronet magazine a very fine article, in which he pointed out how the 3 percent excise tax on freight was particularly discriminatory against his State and people of the Far West. Of course, the same principle which the Senator enunciated so clearly in the article applies to the South. We have long felt the discriminatory effect of the tax.

Considering the matter today not with respect to railroads and not with respect to sections, but simply with respect to something which would be, let us say, in effect a good vitamin B shot to the economy of the Nation, I can think of nothing better than a repeal of this tax. It would not result in any type of inflation, because in fact there would be nothing added to the bank deposits. It would not add to money which actually might be hoarded. The result would simply be that the price of goods could come down. At the same time the price of goods came down there would not be a reduction in profit to the manufacturer or the farmer. Neither would there be a lessening of profits for merchants or for anybody else. It would have the effect of reducing the price of

everything, without actually costing those who transport and those who manufacture any money. Of course it would cost the Government some money. It has been estimated that elimination of the 3 percent excise tax would cost the Government in the neighborhood of $429 million.

In my judgment the removal of this particular tax would so stimulate business activity that we would find that all that money would come back to the Government in the form of increased personal income taxes and in the form of increased corporate-tax payments to the Treasury. I do not believe that the net result to the Treasury would be a loss. The tax should be removed.

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

Mr. SMATHERS. I yield.

Mr. BARRETT. I wish to associate myself with the statements made by the distinguished junior Senator from Oregon [Mr. NEUBERGER], and I wish to commend the distinguished Senator from Florida [Mr. SMATHERS] for his fine work in this field.

There is no doubt that the States which are farther away from the large industrial centers are the ones which are most discriminated against because of the transportation tax.

The tax was instituted as a wartime measure, and the impression was left at the time that, of course, it would be repealed when the war was over.

It seems to me that we should call attention at this particular time to the fact that while the products of the West and the products of the South pay a disproportionate tax to reach the large centers, at the same time, the small business enterprises in areas farther away from the large industrial centers are also penalized, because they pay not only the 3-percent tax on the final product which is sold by the small-business operators, but they also pay a pyramid of additional 3 percent transportation taxes which are imposed on the product in the various stages of manufacture or processing.

On the whole, the tax certainly works against small business. I believe that the removal of this tax is a measure of relief which should be afforded to small business.

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

Mr. SMATHERS. I yield.

Mr. NEUBERGER. I agree so thoroughly with what the Senator from Florida has said that, several weeks ago, one of the main reasons why I voted against two very worthwhile proposals to reduce personal income taxes was that I felt that the first tax to be repealed should be the unfair transportation tax which the Senator from Florida is criticizing so ably today.

This tax enters into the cost of every glass of orange juice from Florida, every pot roast from Wyoming, and every table and chair from Oregon forest products.

Mr. SMATHERS. I thank the Senator.

To give one further illustration as to how the tax pyramids, consider the case of cotton. From the ginning point to the warehousing point there is a 3-percent tax. In the beginning, from the cotton field to the first point of processing, the cotton travels free from this tax, under the agricultural exemption. Once it reaches the ginning point, it is processed, and the tax is applied. From the ginning point to the warehousing point there is a tax of 3 percent. From the warehousing point to the spinning mill there is a tax of 3 percent. From the spinning mill to the weaving mill there is a tax of 3 percent. From the weaving mill to the bleachery there is a tax of 3 percent. From the bleachery to the sewing plant there is a tax of 3 percent. From the sewing plant to the retailer, there is a 3-percent tax. There are 6 separate 3-percent taxes on this particular item, each one increasing the cost. The freight cost becomes greater and greater as the goods are manufactured or processed.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a list of the pyramiding 3-percent taxes which I am discussing.

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

EXAMPLES OF THE COMPOUNDING OF THE FEDERAL EXCISE TRANSPORTATION TAX ON VARIOUS WIDELY USED ARTICLES

Wood chips, mill to pulp plant: 3 percent excise tax.

Woodpulp, pulp plant to spinning plant: 3 percent excise tax.

Rayon thread, spinning plant to weaving plant: 3 percent excise tax.

Cloth, weaving plant to sewing plant: 3 percent excise tax.

Clothing, sewing plant to retailer: 3 percent excise tax.

Scrap metal, assembly point to baling plant: 3 percent excise tax.

Scrap metal, bailing plant to steel plant: 3 percent excise tax.

Sheet steel, steel plant to refrigerator manufacturer: 3 percent excise tax.

Refrigerators, manufacturer to wholesale distributor: 3 percent excise tax.

Refrigerator, distributor to retailer: 3 percent excise tax.

Wet phosphate rock, mine to drying plant: 3 percent excise tax.

Dry phosphate rock, drying plant to processing plant: 3 percent excise tax.

Elemental phosphorous, processor to pharmaceutical manufacturer: 3 percent excise tax.

Phosphoric acid (for example), manufacturer to sirup producer: 3 percent excise tax.

Sirup, producer to distributor: 3 percent excise tax.

Sirup, distributor to soft drink bottler: 3 percent excise tax.

Bauxite ore, port or mine to reduction plant: 3 percent excise tax.

Aluminum sheets, reduction plant to fabricator: 3 percent tax.

Window frames (for example), fabricator to wholesaler: 3 percent excise tax.

Window frames (for example), wholesaler to retailer: 3 percent excise tax.

Pulpwood, assembly point to paperboard mill: 3 percent excise tax.

Paperboard, mill to converter: 3 percent excise tax.

Paper cartons, converter to cereal manufacturer (for example): 3 percent excise tax.

Wet phosphate rock, mine to drying plant: 3 percent excise tax.

Dry phosphate rock, drying plant to acidulating plant: 3 percent excise tax.

Superphosphate, acidulating plant to fertilizer mixing plant: 3 percent excise tax.

Fertilizer, mixing plant to distributor: 3 percent excise tax.

Cotton, ginning point to warehousing point: 3 percent excise tax.

Cotton, warehousing point to spinning mill: 3 percent excise tax.

Thread, spinning mill to weaving mill: 3 percent excise tax.

Cloth, weaving mill to bleachery: 3 percent excise tax.

Cloth, bleaching to sewing plant: 3 percent excise tax.

Clothing, sewing plant to retailer: 3 percent excise tax.

Iron ore, port or mine to steel mill: 3 percent excise tax.

Steel, mill to agricultural implement factory: 3 percent excise tax.

Agricultural implements, factory to distributor: 3 percent excise tax.

Agricultural implements, distributor to retailer: 3 percent excise tax.

Mr. SMATHERS. One further word. We shall have considerable difficulty getting this tax removed, not because everyone does not believe it should be removed, but because of the procedure involved. The Surface Transportation Subcommittee has already submitted an amendment, which is now before the Finance Committee of the Senate, to an excise tax bill pending before that committee, eliminating the 3-percent excise tax on freight and the 10-percent excise tax on passenger traffic. The difficulty is that, while everyone is in favor of removing the tax, everyone wishes some other excise tax to be removed at the same time. Some wish to remove the cabaret excise tax. Others wish to remove the tax on baby oil. Others wish to remove the excise tax on automobiles, saying that that is the area in which relief is primarily needed.

But if we examine every one of the excise taxes, we cannot find one of them which has such a broad application as the 3-percent transportation tax. It reaches into every crossroads and every town, and affects every human being in every town. The 3-percent excise tax on transportation applies to baby food, farmers' products, and everything the laborer eats, buys, or wears. Whether one is a professional man, an educator, or is engaged in some other occupation, he is affected by the 3-percent excise transportation tax. There is not a single one of the 178 million people in the United States who does not directly feel the bad effect of the 3-percent excise transportation tax.

I am in favor of removing some other taxes. Nevertheless, I know that it will not be the disposition of the committee to recommend removal of all the excise taxes at this time. I hope, when we consider the subject, we shall see that the excise tax on transportation is in a little different category from other excise taxes.

If we wish to stimulate the economy and, in effect, lower the purchase price of the various articles on the shelves of dealers, and the prices of articles yet to be made; if we want to give a sensible stimulus to the business community and our general economy, I highly recommend that the transportation excise tax be the first one to be eliminated.

Mr. SCHOEPPEL. Mr. President, I concur 100 percent in the remarks of the distinguished junior Senator from

Florida on the floor this afternoon with reference to the 3-percent transportation tax. As he has pointed out, it is one of the taxes which should be eliminated, because it is a cumulative tax.

Mr. HUMPHREY. Mr. President, during my remarks relating to the distinguished Senator from Florida, I certainly wished to include reference to his devoted and dedicated service in the field of transportation.

Mr. BEALL. Mr. President, I wish to concur in the remarks made by the distinguished Senator from Florida. I, too, feel that nothing will do more to stimulate business than to remove this very vicious and objectionable tax. It was put on first during World War II in order to discourage purchases and to discourage travel. Certainly for the same reason it was levied it should now be taken off, in order to encourage business, particularly transportation. I certainly hope that Congress will bring about its removal.

Mr. SMATHERS subsequently said: Mr. President, earlier today I was engaged in a discussion with respect to the elimination of the 3 percent transportation tax. At that time I forgot to put into the RECORD as a part of my remarks two letters which I received, one from the National Association of Home Builders, the other from the National Retail Lumber Dealers Association, both of which urge the removal of the 3 percent transportation tax. I should like to have incorporated in the RECORD along with those letters an article which appeared in Sunday's Washington Post by Mr. J. A. Livingston, entitled "Price Cuts Needed, Not Wage Boosts."

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

NATIONAL ASSOCIATION OF HOME BUILDERS,
Washington, D. C., March 2, 1958.

The Honorable GEORGE A. SMATHERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR SMATHERS: This association is strongly in support of those measures needed to meet and to counteract the current recession in business which has affected areas of the country. As you know, there are many actions which we believe can be taken in the housing field. Equally helpful, however, are actions which can be taken by the Congress or the administration in related fields which will be of assistance to home building and other industries and small businesses. Accordingly, we support your action in sponsoring a measure to remove the transportation excise tax of 3 percent on freight and 10 percent on passengers.

Naturally we are primarily interested in the removal of the excise tax upon freight transportation. Home building is a large-scale user of a vast number of construction materials and household goods which are each subjected to this transportation tax at successive stages of production from raw materials to finished products. We appreciate your interest in this matter and will be interested in the progress of the bill toward enactment.

Sincerely,

NELS G. SEVERIN,
President.

NATIONAL RETAIL LUMBER DEALERS ASSOCIATION,
Washington, D. C., March 28, 1958.

Hon. GEORGE A. SMATHERS,
United States Senate,
Washington, D. C.

DEAR SENATOR SMATHERS: I have read with a great deal of interest that you and other Senators have introduced legislation which, if enacted into law, would repeal the excise tax on transportation of property.

As president of the National Retail Lumber Dealers Association, and on behalf of the 30,000 retail lumber and building material dealers of the Nation, I want to commend you for sponsoring this legislation.

This tax was a wartime measure designed to discourage the use of our transportation facilities. The reason for the tax no longer exists.

In fact, our major railroads are fighting to remain solvent and everything possible should be done to assume the continuation of an adequate transportation system.

The 3 percent excise tax on the transportation of property falls heavily upon the shipment of lumber, building materials, and other products sold by the average retail lumber and building material dealer.

This tax is necessarily reflected in the cost of everything that goes into the new house and all other construction, without adding to the value of the structure.

Such a tax penalizes the long-haul shipper and pyramids at each step of manufacture and distribution.

Much of our lumber must be shipped from the Northwest and South to markets a great distance from the area of production.

Because the tax is a fixed percentage tax on freight charges, the recent freight rate increases granted to the railroads automatically increased the tax on freight.

This tax affects every consumer, his home, his food, and everything that he wears or uses.

The tax is not only discriminatory as between different areas of the country, but as between large and small shippers. Many smaller shippers must depend on public transportation systems entirely.

Repeal of the excise tax on transportation of property at this time will, I feel confident, provide a stimulus to the economy, and increase the revenue of the railroads at a time when additional revenue is badly needed to provide a sound and healthy transportation system.

I sincerely hope that your efforts to repeal this burdensome tax will meet with success in the present session of the Congress.

Very truly yours,

JAMES C. O'MALLEY,
President.

[From the Washington Post and Times Herald]

PRICE CUTS NEEDED, NOT WAGE BOOSTS

(By J. A. Livingston)

In a recent issue, Barron's magazine tries to slay the myth that this recession is different, that prices will continue to go up while employment and production go down. Says Barron's: Prices have been going down, even though the cost-of-living index doesn't show it.

Automobile dealers are granting bigger trade-ins on old cars or cutting down profit margins on new cars. Steel companies are nibbling away at prices. Maybe list prices stay put, but charges for extras are reduced or even overlooked.

In retailing, discount houses cut costs to consumers. The decision of General Electric to abandon fair-trade pricing on small appliances recognized the fact that price maintenance had broken down.

Barron's notes that the cost-of-living items which have moved most stubbornly upward are services—electricity, gas, telephone, haircuts, beauty treatments, laundry. These are items not susceptible to price flexibility, to bargaining between vendor and customer. Inference: The cost of living ultimately will reflect downward pressures.

HOUSEWIVES HAVE THEIR INDEX

A realistic point: When consumers begin to cut their purchases, when business failures rise, when retailers and wholesalers scrounge for business, the pressure to increase sales, to offer inducements to buyers increases. So, even though quotations don't formally drop—as did copper, lead, and zinc—costs do.

But housewifely grumbles about the high cost of living are also an index. Living expenses are still about at the top. And this top has been reached when personal income has been on a decline for 6 months. As expenses remain high, the capacity of people to buy has diminished.

Walter Reuther, the indefatigable and imaginative president of the United Auto Workers, has his own way of dealing with the squeeze on consumer buying power: Boost wages; put more money in workers' pockets, notably auto workers. But members of the UAW who are not on the job won't be helped by a pay boost.

PRICE CUTS HELP EVERYONE

Purchasing power can be increased by price reductions as well as by wage increases. Price reductions help everybody—the man who is on unemployment benefits, the man who is on a 4-day week, and bank clerks, schoolteachers, farmers, and textile workers.

If ever there was a time to give two hackneyed phrases—labor statesmanship on the one hand and industrial statesmanship on the other—the dignity of deed, that time is now. A recession is supposed to bring price adjustments. But prices stay rigid when labor demands too much, when managers of corporations set prices to net a predetermined profit, which, during a slump in business, doesn't materialize. So they want to raise prices some more in a hopeless climb against diminishing sales and returns.

WHAT STATESMANSHIP REQUIRES

It is the responsibility of industrial statesmen and union statesmen now not to boost wages. Industrialists can justify resistance to wage boosts with price cuts. The auto industry, for example, would like the Federal Government to eliminate the $150 to $300 manufacturers' excise tax on cars. The industry could make a stronger case by helping itself. By cutting prices. In good times, executives boast about their rugged initiative. In a slump, this rugged initiative seems to give way to appeals to the Government for maternal aid and comfort, such as, "Please take away our taxes."

The wage negotiations now under way between the auto industry and the auto union will indicate just how much statesmanship sits on both sides of the bargaining table. A wage pattern is at stake. The custom of union leaders is to vie with one another—Who can be tops? Who can extract the biggest raise? But it's equally important to see who can be sensible.

July 1 is a critical date. As a result of a 3-year contract, wages in the steel industry are due to go up a minimum of 7 cents an hour. There will be other fringe benefits, too. And officials of the steel industry are not averse to indicating privately that they would like to raise prices to cover the cost of the increase to David J. McDonald's United Steelworkers.

A price rise in steel would be unwise at this phase of the recession. Steel companies now making money operating at 50 percent capacity could absorb the boost. After all, demand won't stay down indefinitely. And, if the rise can't be absorbed, then let the industry hark back to 1948. United

States Steel Corp. granted a wage rise voluntarily to the late Philip Murray as head of the USW, because steelworkers' wages had lagged behind mining and autos. The industry could suggest a voluntary moratorium on the automatic wage boost. "Long-term wage contracts," said Reuther, "should be living documents to meet changed conditions."

Meanwhile, the crocuses have begun to fight through this winter of discontent. Machine tool orders rose slightly in January and then again in February. Orders for structural steel were up 14 percent in February over January. Steel production still exceeds incoming orders, but, at the same time, consumption—the chewing up of steel—is thought to exceed production (deliveries to steel users.)

President Eisenhower feels that we're now going through the worst of the recession. If he's wrong, he has company—me.

SHIRLEY LEEKE KILPATRICK—VETO MESSAGE (S. DOC. NO. 84)

The PRESIDING OFFICER (Mr. SCOTT in the chair) laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary, and ordered to be printed:

To the United States Senate:

I return herewith, without my approval, S. 2110, for the relief of Shirley Leeke Kilpatrick.

On March 24, 1958, subsequent to the passage of this measure by the Congress, an adjustment of status to that of a lawful permanent resident of the United States was granted the beneficiary by the Immigration and Naturalization Service pursuant to section 245 of the Immigration and Nationality Act. S. 2110 is therefore unnecessary.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 31, 1958.*

THE IMPORTANT ROLE OF RADIO IN THE PRESERVATION OF FREE SPEECH AND FREE ENTERPRISE

Mr. SCHOEPPEL. Mr. President, on March 27 I brought to the attention of the Senate the important role that radio plays in the preservation of free speech and the American system of free enterprise. I referred to the recent reports that had been published about the possible curtailment of the American radio broadcasting network, and expressed the hope that it would be able to continue its radio network operations.

In my remarks I referred to the radio networks which are operated in conjunction with television and noted that these radio operations were being maintained although they were unprofitable.

Inadvertently, I failed to mention the Mutual Broadcasting System, the largest in the United States in point of number of affiliates. Mutual has served the Nation faithfully and well in all areas of broadcasting. In the area of news relating to public affairs it has done an outstanding job.

The remarks I offered concerning the other networks apply in full measure to the Mutual Broadcasting Co.

STAY IN REDUCTION OF SUPPORT PRICES—VETO MESSAGE

Mr. HUMPHREY. Mr. President, I should like to address myself briefly to the veto message of the President on Senate Joint Resolution 162, the joint resolution passed by the Senate by an overwhelming vote, and also passed by the House of Representatives.

It should also be noted that a substantial majority of the Republican Party caucus in the Senate also urged the President to sign the joint resolution, as did an overwhelming majority—I believe it was 42—of the majority party in the Senate.

It is very unfortunate, indeed, that the President found it necessary from his point of view, and obviously on the basis of the advice he received, to veto this first agricultural antirecession measure.

Senate Joint Resolution 162 was designed for 2 purposes and passed on the basis of those 2 purposes. First, it was designed to prevent further price declines and further income declines in agriculture. It was designed to maintain Government protections at the 1957 levels.

In view of the announced reductions in Government price supports for 1958, it was understandable why an overwhelming majority in Congress took the action it did in asking that price supports, insofar as Government activity is concerned, be maintained at the 1957 level.

The second purpose was to afford Congress the time needed to perfect long-term, long-range basic agricultural legislation. Those of us on the Committee on Agriculture and Forestry who have that responsibility, at least initially, did not want to have to work under the gun, so to speak, with the economic gun loaded and pointed at us, ready to go off any minute. We preferred to be able to work after more mediation and deliberation and consideration.

Therefore, the joint resolution was passed by Congress. However, the action of the President of the United States throws the entire agricultural economic picture into a whirl and into utter confusion.

I predict that prices paid to farmers for their commodities will go down as the result of the veto. I predict that the farmer will suffer economic loss because of the veto. I predict that the family farm and the family farm system will suffer economic tragedy because of this kind of negative action.

I further predict that corporate farming will expand, that the growth of large commercial corporate farms will be expedited and intensified. I do not believe that is good for America. The kind of negative policy which is embraced in the veto message will lead to that kind of development on our agricultural front, namely, the expansion and extension of corporate agriculture. That will be done to the detriment of our American social and political systems.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Is it not also true that the people who live on the farms will anticipate from the veto message that the administration intends to lower supports?

Mr. HUMPHREY. The Senator is correct. As the Senator knows, the President reiterates his recommendation of lowering price support levels and broadening flexibility from the present 75 to 90 percent, to the level of 60 to 90 percent. In fact, he is recommending, in some instances, the full scale, from 0 to 90 percent.

The Senator from South Carolina further knows that the President asks that the escalator clauses, which are built into the present farm laws, whereby when surpluses are removed, prices tend to increase be eliminated.

Therefore, I can say that the veto message will result in lower prices for farmers for the commodities they produce, and that there will be no saving—not so much as one cent in saving—for the consumer in the food market. Food prices have been going up despite the fact that farm prices have been coming down. Recently, over the week-end, we heard some so-called good news with reference to an increase of farm prices.

What did they consist of? They consisted of certain types of citrus fruits. Those prices rose because of an act of nature, a calamity, which struck the producers and caused a shortage of citrus fruits. Because of the shortage of citrus fruits, and because of the frost, and because of the losses to the citrus producers, citrus prices went up well above 100 percent of parity in some instances. I trust that that is not the administration's program. I trust that the administration is not endorsing a type of farm program in America which is based on calamities.

What else caused the price rise for farmers? Potatoes are up to 125 percent of parity. That is again because of a short supply, brought about by unfavorable weather conditions. We can go down the whole list of products from fresh vegetables and citrus fruits to potatoes, and find that that is what has basically raised the parity price structure.

Mr. JOHNSTON of South Carolina. I ask the Senator not to forget cotton.

Mr. HUMPHREY. The Senator calls our attention to a certain type of cotton, of which there is a desperate shortage, and that again has resulted in higher prices.

The Senator from Minnesota has pointed out that an abundant supply of agricultural commodities is the consumer's best protection. I wish to warn consumers that the administration's program will take the consumers of America to the proverbial economic cleaners. The administration's program results in surpluses for agriculture, and also results, because of uncontrolled production and because of unplanned methods in agriculture and because of a failure of a plan, in higher prices to consumers.

I notice that the administration has tried to give the poor dairy farmer a little more hope. They have said to the dairy farmer, "We are going to reduce

your milk price from $3.25 to $3 a hundredweight. We are going to reduce your dairy income, but we are not going to sell any butter we take into Government storage in the domestic market for anything less than 90 percent of parity."

What a sop. What hypocrisy.

What surpluses we have of dairy products are needed for the school-lunch program, for our welfare programs, and for our overseas programs. As a matter of fact, until only a few days ago the butter program had been stopped. It was only after one of the Members of the Senate vigorously questioned it in the Senate that the Secretary of Agriculture restored butter to the surplus list available for welfare agencies.

In the veto message the President says:

> Dairy products acquired under the price-support operation will be used outside the regular domestic commercial market. These products will not be offered for sale in such markets during the remainder of 1958 at less than 90 percent of parity.

First of all, the administration justified its reduction of dairy price supports on the ground that such reduction would eliminate surpluses. If that is true, how is the administration going to maintain any stocks and not ultimately sell in the commercial market except at 90 percent of parity?

We cannot have it both ways, even though, apparently, the administration desires to have it so. I say that anyone who will make an objective, careful analysis of the message will see that it is filled with political and economic booby traps.

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

Mr. HUMPHREY. I yield.

Mr. YARBOROUGH. In line with what the Senator from Minnesota has said about the booby traps in the Presidential veto message concerning the farm price-supports bill, I call attention to the paragraph near the bottom of the page in which the President says:

> Substantial gains have been achieved: Through the rural development program to help those at the low end of the income scale.

In view of the fact that the administration's policies are driving 50,000 farm families off the farms and into the ranks of the unemployed in the cities, and in view of the recommendations of the Committee for Economic Development that there be eliminated from farm life 1,225,000 of only 4 million farm families remaining, does the Senator from Minnesota think it is a correct statement that through the rural development program those who are at the low end of the income scale have been or will be helped?

Mr. HUMPHREY. I certainly do not. I say most authoritatively and most respectfully to the Senator from Texas that when the Committee on Agriculture and Forestry asked the Department of Agriculture for its evidence on the accomplishments of the so-called rural development program, the committee waited, waited, and waited, and finally received nothing but generalized reports offering no evidence of any real results to farmers. The results of the rural development program are so pusillanimous, so limited, and so inadequate, that it is ridiculous to think it can save farmers from immediate economic hardship.

Mr. YARBOROUGH. Was that wait during the period last summer while the Senator from Minnesota was seeking to examine the Secretary of Agriculture before the Committee on Agriculture and Forestry, and while the Secretary of Agriculture was spending 100 days in the Rocky Mountains, inspecting the national forests?

Mr. HUMPHREY. No; that was another one of his absences from the Department. The latest report was sought during the time the Secretary was present in Washington. There is very little difference, I may say, between what happens when the Secretary is present and when he is not present. The policies are pretty well set, and the program of the administration is carried out according to those policies.

There is one other point to which I wish to call the attention of my colleagues. I was particularly pleased to notice, when I read the message, that the President has indicated that there will be special export subsidy programs for cotton, corn, and other feed grains, similar to the present export program on wheat. This can be done without legislation, says the President's message. I quote further:

> The effect of this program will be to move these products directly from commercial markets to the export trade without running them through the Commodity Credit Corporation. Under the wheat export program farmers have obtained broader markets and substantial price benefits in the market place. Marketing efficiency has been promoted and the amount of wheat which has moved into Government channels has been reduced. The new program for cotton and feed grains is expected to have similar effects.

I say to the administration that this is a heartening statement—but certainly belated. I thoroughly support point 5 of the President's veto message. Not only do I support it today, on this date of March 31, 1958; I supported it last year, and I supported it the year before. We have been waiting for 2 years for the administration to say something like this.

It was 2 years ago that the junior Senator from Minnesota rose in this Chamber and urged the Department of Agriculture to enter into an export subsidy program for wheat, and not to rely upon the Commodity Credit Corporation to do all the business. I then said that the Commodity Credit Corporation should supplement private industry and the private grain trade, and that it should not be permitted to supplant the private grain trade. As a result of the efforts of the Senator from North Dakota [Mr. YOUNG], the Senator from South Carolina [Mr. JOHNSTON], and other Senators, including myself, it was possible to shake the Department of Agriculture loose from its sterile, inflexible, unproductive position, and finally to enter into a wheat export program which has worked.

We have been pleading for almost 2 years for the same kind of program for cotton and feed grains. I must say that it is indeed music to my ears, and it causeth great rejoicing throughout the land that, at long last, the administration, in submitting the veto message, which will damage American agriculture, has included at least one faint ray of hope, namely, that the Government expects to enter upon a seasoned, tried, and tested program of export for cotton, corn, and feed grains. I assure the administration of my wholehearted support of such efforts. I hope the President's expression will be more than simply a statement. I trust he will communicate his will and his wishes to the Department of Agriculture. I trust that the Department will move with alacrity, and will not permit any more of the foot-dragging which has gone on for many months in moving feed grains and cotton, especially the short staple cotton, which are in our reserves.

I regret that the President of the United States has seen fit to veto the joint resolution. Other Senators have expressed themselves and will express themselves on the subject. I only hope we shall be able to override the veto. But, be that as it may, the responsibility lies squarely on the Department of Agriculture and the White House for striking down the first antirecession measure, the first effective step which was taken to stop the decline in agriculture. The measure was struck down by the White House. Let the American people know that.

Mr. and Mrs. Consumer, when your food prices go up, as they will, and when you see farm prices go down, as they will, let it be understood where the responsibility lies. Some of us tried desperately, without regard to party—Senators on the other side of the aisle and on this side of the aisle—to stop this disastrous decline before it got out of control.

Mr. YOUNG rose.

Mr. HUMPHREY. Mr. President, without losing my right to the floor, I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I express my deep regret that the President saw fit to veto the farm price support freeze measure. Second, I take exception to some of the reasons set forth for vetoing the proposed legislation. For example, the first reason given is:

> It would pile up more farm products in Government warehouses.

The resolution did not affect price supports for feed grains at all, with the exception of grain sorghums. It would have raised the price supports on grain sorghums 2 cents a hundred pounds, which is very insignificant. The only grain which would have been affected to any appreciable degree would have been wheat. The price supports for wheat would have been raised from $1.78 a bushel, as announced by Secretary of Agriculture Benson last June, to $2 a bushel, which was the price President Eisenhower himself established in 1954, when he vetoed the farm bill of that year.

Let me give the figures on wheat production since 1954.

In 1954, the production of wheat was 984 million bushels; in 1955, 935 million

bushels; in 1956, 1,004,000,000 bushels; in 1957, 947 million bushels.

This year, after the Secretary of Agriculture had announced a drop of 22 cents a bushel below the support price of last year, lo and behold the forecast now is for 1,077,000,000 bushels of wheat, despite the fact that millions of acres have gone into the acreage reserve part of the Soil Bank program.

Does that prove that lower price supports will reduce production? Certainly it proves exactly the opposite. If the Senator from Minnesota will permit me to do so, I shall discuss one or two more items.

I read from the veto message quote:

> It would bypass the problems of the small operator who produces so little for sale that price supports have scant meaning to him.

Mr. President, no farmers have more at stake in regard to price supports than do the small farm producers of the Nation. Everyone—with the exception of Secretary Benson—seems to know that.

The big producers do not need any price-support program at all. But if we have only big producers and their kind of efficient production, we will have a different kind of America than the America we know today. We shall no longer have need of all the small towns and cities that are scattered throughout the Nation.

Mr. HUMPHREY. Then will the Senator from North Dakota agree with me that the effect of the veto will be to make it very difficult for family farmers to make a good living, and to make it easier for commercial, large corporate agriculture to grow and to expand?

Mr. YOUNG. Yes, that will be the result; more small farmers will go broke, and more big operators will have a chance to increase their holdings. That is exactly what will happen.

I read further from the President's veto message:

> 5. It would hold up the needed transition to modern parity and would in fact disregard the parity principle.

The President discusses the modern parity formula. I would be perfectly happy to have substituted for the old 1910–14 base period the 1947–49 base period for determining parity in the so-called modernized parity formula. The 1947–49 base period is the one that labor and industry use. But the Secretary of Agriculture will not do that. That would mean an increase of a few pennies in the price supports for agricultural commodities. That would make the formula a fairer one and more nearly reflect the cost of operation. But the Secretary of Agriculture will not accept it. It seems that all he is interested in is a lower price for farm commodities.

Mr. HUMPHREY. Mr. President, no Member of this body, so far as I know, is more interested in the agricultural situation, particularly in the production of cereal grains, than is the Senator from North Dakota [Mr. YOUNG]. As I understand what he has stated, for the index for labor and industry, the base period is 1947–49; but for purposes of the so-called modern parity formula for the farmer, which is nothing more than an index figure, the Secretary of Agriculture is unwilling to use the same base period that industry and labor use, but he seeks to use another base period, which will mean less protection and less opportunity for a fair price for the agricultural commodity producers. Is that a correct interpretation of what the Senator from North Dakota has said?

Mr. YOUNG. That is correct.

Mr. President, I read further from the President's veto message:

> 6. It would be unfair to those winter wheat growers who signed up under the 1958 acreage reserve program with the understanding that the price supports which had then been announced would be the effective rates.

I do not know why the President made such a statement, unless he was trying to divide the winter wheat producers from the spring wheat producers, in an effort to create some animosity between them. All the wheat producers have signed up for the acreage reserve in both the winter wheat and spring wheat areas.

If the Secretary of Agriculture wants to reopen those contracts, he can do so. But the spring wheat producers have signed up, too. So that part of the veto message makes no sense.

I read further from the President's veto message:

> There is impressive evidence that farmers stand to profit from less rather than more governmental intervention. Unsupported prices of cattle and hogs are unusually strong.

Here and in other parts of the veto message the President tried to point out that there are unsupported farm commodities that do not profit by price supports for agricultural commodities. Last year and the year before the Secretary of Agriculture gave a support price of $1.50, or approximately that, to those who complied with the allotments for corn, and a price of $1.25 to noncompliers. The reason for the price of $1.25 to the noncompliers was that the cheap corn would be translated into more beef and hog surpluses, and thus would have an adverse effect upon the prices of beef and hogs. The Secretary of Agriculture admitted that was the reason. That was the only justifiable reason he could have had for doing so.

But in the veto message which has been received today, the President takes just the opposite viewpoint, and again tries to set the producers of cattle and hogs against the producers of feed grains. Of course, the message was written by Secretary Benson.

Mr. HUMPHREY. Is it not true that all the evidence presented before the Senate Committee on Agriculture and Forestry, in the case of beef cattle and hogs and feed grains, has been to the effect that when there is a reasonable support price or a reasonable price for feed grains, that has a tendency to hold up the prices of cattle and pork products?

Mr. YOUNG. That is correct.

I do not think anyone in the agricultural field is naive enough to believe that all the cheap grain now available will not be translated very soon into an oversupply of beef and pork, and thus will depress the prices of beef and pork products. I think everyone, even including the Secretary of Agriculture, knows that. Yet the statement I read a moment ago has been included in the President's veto message. I cannot understand it.

Mr. President, I thank the Senator from Minnesota for his courtesy in yielding to me.

Mr. HUMPHREY. Mr. President, I was very happy to yield to the Senator from North Dakota. As I said earlier, and without regard to partisanship—for the Senator from North Dakota is a very true and a very effective Republican—he is, above all, a friend of his constituents, the people of North Dakota; and he is a dedicated exponent of equality of treatment for agriculture. I am proud to stand with him and to associate myself with his sincere and determined efforts in behalf of the agricultural community.

Mr. YOUNG. Mr. President, will the Senator from Minnesota yield further to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Minnesota yield to the Senator from North Dakota?

Mr. HUMPHREY. I am happy to yield.

Mr. YOUNG. I greatly appreciate what the Senator from Minnesota has said. Perhaps if I gave a little of my background, it will be easier to understand the position I have taken. All of my life I have farmed, and I am deeply concerned about the plight of agriculture. I think I know the life the farmer lives, his adversities and all. So long as I serve in the Senate, the interests of the farmers will come first with me, and the interests of the Republican Party will come second. If I think the Republican party is wrong, I will rise on this floor and say so, regardless of whom it may hurt.

Mr. HUMPHREY. Mr. President, again the Senator from North Dakota demonstrates his integrity and courage.

Mr. President, at this time I wish to address myself to another subject.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

CONSERVATION: A CHALLENGE AND A REEMPLOYMENT OPPORTUNITY

Mr. HUMPHREY. Mr. President, 50 years ago this spring the first great nationwide step was taken toward the conservation of our soil, water, and forest resources. That was when President Theodore Roosevelt convened the famous governors' conference on conservation. Out of this landmark conference came the first impetus to the drive to set aside and preserve for future generations great segments of the Nation's heritage of natural resources.

Twenty-five years ago today—on March 31, 1933—another conservation-minded President, the great Franklin Delano Roosevelt, put into motion the first major, national effort toward applying conservation management practices to these nationally owned lands and also to private lands which had been permitted to deteriorate for generations. That major effort was the magnificent and now well renowned Civilian Conservation Corps, which not only provided steady outdoor work opportunities for about 300,000 young men and underemployed woodsmen each year

for 8 years, but also took the Nation in a giant stride forward in conservation practices. Some conservationists believe that in those 8 years of the CCC, America's conservation projects were advanced by 20 years or more, because of the concentration of money, intelligence, and young muscle on the problems of erosion, deforestation, and silting.

Then came the war in Europe and Asia, our gradual rearmament, and the draft, which put many hundreds of thousands of our young men into military service. By 1941, the CCC was no longer finding enough young men to man the corps, and the Nation turned its efforts toward expenditure of its resources in the primary task of winning World War II.

For almost two decades, since the onset of World War II, Americans have been preoccupied—first with winning the war, and later with winning the peace, establishing world order, and assisting war-torn nations to improve their economies. More recently the threat of nuclear holocaust, missiles, and earth satellites have absorbed increasing amounts of attention—and funds. Meanwhile we have seriously neglected the basic problem of conserving our American lands and waters which nourish us, clothe and shelter our civilization, and provide healthful outdoor recreation.

It is time now that we take a new look at America's conservation effort. Yes, we might call this a delayed but urgently needed inventory.

Enough years have passed since the CCC—Civilian Conservation Corps—and other conservation programs of the 1930's, to measure their value in saving and rebuilding both resources and men. Even in those difficult days, all of us were aware of the great improvements that were created in reforestation, soil-erosion control, park improvements, acquisition and development of wildlife lands, and other conservation measures. Now—20 years later—the little trees planted by the CCC boys on cutover forest lands are developing into thrifty young forests on hundreds of thousands of acres, producing valuable crops of pulpwood, lumber, and other forest products. On once-eroding farmland many gullies have been replaced by sparkling farm ponds and gracefully sweeping strip-cropping and contour cultivation.

Over some parts of America the landscape was greatly improved. Man proved that he could live and draw sustenance from the earth without destroying it. Some of the overgrazed rangelands of the West and some of the Dust Bowl areas were converted back into abundant grasslands through measures undertaken during the New Deal. Such conservation practices as range reseeding, gully stabilization, reforestation, and dozens of others were demonstrated to be sound investments in resource conservation.

More recently we have found ways to hold floodwaters near the headwaters of our rivers, and to convert them from a menace during rainy periods into an asset during droughts.

We have mastered enough of the principles of wildlife habitat development so that future generations will have these natural gifts preserved for their enjoyment.

It is tragic that the good start made on all these conservation measures during the 1930's had to be shelved with the coming of World War II and put on a maintenance basis—in fact, a standby basis—before the gains could be consolidated. Though no dollar-and-cents evaluation of the values of these programs has been made, few who have seen young growing forests and stabilized soils where erosion once stole fertile lands question that the money spent was a profitable, hardheaded national investment.

Good as this start was, by far the biggest job in conservation lies ahead of us. Our expanding population will need far more food, fiber, shelter, water, and recreation from the same acreages of forest, cropland, and watersheds than we have always had. It is not enough just to repair past damage to our basic resources. Rather, we must invest in the conservation practices which will provide raw materials for future generations. Further damages and losses from the resource abuses that cause forest fires, floods, and duststorms must not be tolerated.

The lessons of the CCC and other conservation programs have taught us a great deal. Research and experimentation have taught us more about how to control erosion, improve low-grade forests for quality timber production, revegetate blowing Dust Bowl soils, improve deteriorated rangelands, stabilize eroding streambanks, and many others less dramatic but equally important. We need but the vision and the will to do the job.

The Federal agencies concerned with resource management have in recent years maintained up-to-date summaries of the detail and the dimensions of the conservation problem, and this information is readily available to the President of the United States and his Bureau of the Budget. Some of this information I have requested and received from the several conservation agencies of the executive department.

Investments in conservation programs in the United States may roughly be divided into three major groups for purposes of forward planning: First, those which provide direct future financial returns in the form of increased yields of timber, forage, and other reasonable products; second, those which are designed to prevent future soil and water losses and flood damage and to restore damaged lands to full productivity; and, third, those which will conserve and make more abundant our outdoor recreational and wildlife resources so important to our physical, mental, and spiritual health as a Nation. A grouping of this sort sets in perspective the several parts of the total conservation job.

A most important category may be found in forestry. Here the application of more intensive management will yield larger total volumes of timber in the future of higher quality and better size than might be expected if natural forces were allowed to proceed untended.

Another category exists in the revegetation and improvement of our vast western range lands. Productivity of the ranges can be greatly increased by removal of poisonous and other low-value vegetation and replacement with forage grasses and browse plants of higher palatability and nutrition for livestock grazing. Both of these—forestry and range revegetation—clearly fall into the class of profitable capital investments which will yield favorable returns on the expenditures allocated to these practices, and they will assure abundant supplies of timber and grassland for posterity.

Another group of conservation measures is that including soil conservation and erosion control practices on farmlands and the watershed areas in which they are situated. These measures are designed to repair the damages created by past mismanagement, to prevent future damages from floods and siltation of our streams, reservoirs, and harbors, and to assure that future generations of Americans will inherit productive, rather than eroded, croplands.

And finally we come to the kinds of conservation programs the benefits of which cannot be measured in terms of dollars and cents. But how very important it is to assure our people the health and happiness which only adequate outdoor recreational facilities can give us. Providing adequate recreational lands and facilities necessary for their enjoyment on our national parks, State parks, national and State wildlife refuges and fishing waters will mean investments in both improvements and extension of camping and other recreational grounds, and a considerable effort in the improvement and development of wildlife habitat and fishing grounds.

Expenditures for these purposes are necessary investments for our physical and mental health. Man cannot—in fact, does not—live by bread alone. Certainly the saying must apply to the great nonmaterial values derived from our outdoor recreational areas.

In such a program we can avoid the mistakes so well remembered from the 1930's. By devoting our emergency resources to projects that are positive and sound and have been carefully planned by conservation agencies, we can avoid the worse than unnecessary expenditures that came when, for example, unneeded roads and truck trails were built into valuable areas of wilderness. We have a much more widely understood appreciation of wilderness now than we had 30 or 20 years ago. The nationwide interest in and support of the wilderness bill have demonstrated this clearly. We know now that the wilderness which is still available for preservation has great positive values. We cannot afford to destroy it by making it the scene for needless roads and truck trails just for the sake of spending money and making work. The program I am here advocating avoids this as well as other mistakes recognized through experience. This is a positive program giving reality to much needed and carefully planned projects.

How much is there to be done? What is the backlog of vital conservation projects?

I have asked a group of independent professional people in the conservation movement to develop a careful series of

estimates of the total size and dimension of the conservation problem embracing these major categories. They have based their estimates on the latest surveys and information supplied me by the Federal agencies engaged in the separate resource fields, and upon their own studies over the past several years. We have determined the extent and size of each kind of conservation problem, and—by drawing from the experience of Federal agencies in estimating the unit costs of applying the various kinds of measures suggested to correct resource deterioration or improve resource productivity—I have suggested the dollar dimensions of the several conservation problems.

At the conclusion of a meeting of the executive committee of the Natural Resources Council of America called last week to discuss the need for acceleration of natural resources programs, the following national conservation organizations endorsed the objectives and principles of a concurrent resolution which I shall introduce in a few moments:

American Forestry Association: Kenneth Pomeroy and James Craig.

American Planning and Civic Association: Harlean James.

Citizens Committee on Natural Resources: Charles H. Stoddard and Spencer Smith, Jr.

Izaak Walton League: J. W. Penfold.

National Parks Association: Sigurd Olson and Fred M. Packard.

National Wildlife Federation: Stewart Brandborg.

Sport Fishing Institute: Richard Stroud.

Wilderness Society: Howard Zahniser.

Wildlife Management Institute: Ira N. Gabrielson and C. R. Gutermuth.

I should also like to point out that the total dimension of this program includes all of the work now being done by the conservation agencies with present appropriations—and at a scale far below that demanded by the situation.

I wish, Mr. President, to pay particular tribute to the wise leadership given by the distinguished senior Senator from New Mexico by the introduction of his bill S. 3450 on March 11. Included in the Senator's bill are increased authorizations for the National Park Service, the Bureau of Indian Affairs, the Soil Conservation Service, and the United States Forest Service bringing the total annual authorization to $333 million for the fiscal year ending July 1, 1959, and rising to a total annual authorization of $729 million by 1963.

This forward-looking public works program includes nearly all of the measures which are covered in these estimates and fits well within the total framework of the conservation objectives facing our whole Nation. In looking as far ahead as it is reasonably possible to look—and conservationists make this their first order of business—we have an opportunity to define more clearly what our conservation objectives are and where our present planning and programs fit into the task before us. I feel that it will be a help to the Congress in judging the adequacy of budgetary requests made by the administrative agencies in the future to have independent standards of comparison.

Mr. President, I should like to outline briefly the significant problems of basic resource conservation by each of the major categories: forest, western grass and range lands, soil and water conservation on farmland park and recreational area development, and fish and wildlife conservation.

FORESTRY

The United States Forest Service recently issued a comprehensive survey of our Nation's forest resources known as the Timber Resources Review, which sets forth not only the present condition of forests and forest lands but also an estimate of timber requirements of our future populations as far ahead as the year 2000. Because it takes several scores of years to grow merchantable timber, we must make decisions and investments in forestry now if the generations living at the end of the present century are to have adequate timber yields.

Briefly the Forest Service found that we shall need to increase our annual growth of timber from the present 14 billion cubic-foot level up to 21 billion cubic feet if all Americans are to have at least as much timber for housing and other needs in the year 2000 as we have today. It found that this would mean increasing the average growth per acre from 29 to 45 cubic feet—during the next 40 years—a feat easily possible by more intensive forestry practices because our present growth rate is considerably below capacity.

The Forest Service found that 275 million acres of growing forest are understocked or in otherwise poor condition for producing quality raw material; that 52 million acres of open land were in need of replanting if they were to produce useful timber crops; that 40 percent of our 675 million acres of forest land were inadequately protected from forest fires and in need of improved protection facilities. Some 30 million acres of range land within national forests are in need of range reseeding and soil conservation measures: Operation Outdoors has spelled out a program of wildlife habitat improvement and recreational area development needed to provide for rapidly increasing recreational demands. Several thousand miles of roads and trails are needed to improve access into many parts of the national forests not now open to development either for timber production or other uses. These timber access roads would, of course, not be built into wilderness areas. But we should make every effort to develop the forest lands more intensively everywhere else. Included with these need estimates are forest works on State forest and private lands cooperating with State forestry agencies.

Our independent calculation of the forestry program needs, based upon Forest Service data, has divided up the kinds of investments required into two categories. One will give a direct return, in the form of increased future timber and forage yields from the growth resulting from thinning, stand improvement cuttings and tree planting and improved forest range lands. The other investments will yield greater public benefits not directly measurable in dollars and cents—such as improved recreational facilities; wildlife habitat development; control of forest fires, insects and diseases which reduce losses; and soil and water conservation measures on forested watersheds. Clearly the first category is an investment which should be made even during periods of the fullest employment. It has been carefully estimated that $2 billion invested over a 10-year period in stand improvement practices on 140 million acres and the reforestation of 28 million acres will result in an increase in growth rates which would yield 5 percent on the capital allocated for this purpose. At the same time it would supply estimated increased timber requirements for the year 2000.

Millions of acres of lands within and adjacent to national forest areas primarily in the West are of value mainly for grazing purposes. Range revegetation and improvement measures on these lands will at least double the numbers of livestock now carried by these ranges and improve their utility as watershed lands. No exact cost-benefit evaluations have been made of these improvement expenditures, but preliminary indications indicate the need for an investment of nearly $200 million.

Our national and other public forests also provide vast recreational potentials as indicated by the more than 50 million visitors recorded in 1956. To provide recreational facilities and improvement of wildlife habitat and watershed protection, measures must be taken costing an estimated $350 million. These would include erosion-control measures on forested watersheds and construction of needed administrative buildings.

We can also include here beneficial and appropriate projects in our wilderness areas. Wilderness as we have come to appreciate it and as we seek to preserve it through the wilderness bill, for example, is not a negative thing to keep out of and away from. It is rather a resource of positive human values—to be preserved truly as wilderness but also to be used by human beings as wilderness for their health and well-being. As such it requires trails—foot trails, horseback trails and canoe portages. In some places simple sanitary installations are needed. In the northern rainy areas three-sided, open shelters—Adirondack shelters as they are sometimes called—can appropriately serve wilderness travelers. All these needs can be met in a way that does not damage the wilderness.

Such wilderness projects for providing trails, sanitary facilities, and open shelters in northern rainy regions are not only excellent emergency programs. They also can be pilot projects for the establishment of a continuing program to help encourage our citizens to know the benefits of wilderness experience.

Although acquisition of additional national forest land is not a major part of this forestry program, there are a few critical watershed areas in the eastern mountains and other in-holdings which should be acquired to accomplish the major objectives and efficient administration of our national forests. It is

estimated that an area of 10 million acres including both the Klamath and Menominee Indian Reservations now threatened by termination should be included in the national forest system. The cost of these purchases is estimated to be about $460 million and would be a direct capital investment.

The whole of the above program would be carried out through the Forest Service—a large part of which should include direct cooperation with the State forestry divisions through the cooperative Federal-State program in existence since 1924. Since part of this will involve private lands, the machinery of the soil conservation districts should be utilized to the fullest extent.

The total capital investment of forestry development and the other related forest land programs will reach an estimated $3.5 billion.

SOIL AND WATERSHED CONSERVATION

Those activities which are carried out by the Soil Conservation Service in cooperation with the Forest Service through the soil-conservation districts and under the Small Watershed Act are aimed toward preventing soil losses through antierosion measures and retardation of flood waters. The SCS has recently estimated that only one-third of the Nation's farmlands are protected by soil-conservation measures against erosion losses. No estimate has been made of the hundreds of thousands of miles of small streams and rivers where stream-bank erosion is dumping millions of tons of silt into our reservoirs, harbors, and navigable channels; nor have the more than 13 million acres of Dust Bowl lands in the Southwest which are blown away during recurring dry years been adequately considered. Several million acres in some of our Middle West farmlands have been strip mined for coal and left to erode without benefit of soil conservation and forestry programs. Croplands nearly everywhere are threatened by varying degrees of gullying.

Recent estimates by competent soil conservationists indicate that nearly 300 million acres of farmlands can be economically treated with soil-protection measures, and that another 10 million acres of drought-seared Dust Bowl land of Deserts on the March and Grapes of Wrath fame are in need of revegetation through planting of grasses and shelter belts. The large area of strip-mined lands is badly in need of vegetation and soil stabilization.

Progress under way on small watershed programs reveals that a cost of approximately $10 per acre is required to install such measures as the construction of small upstream flood-control impoundments, streambank stabilization, and gully control. Other practices are needed to control soil erosion and water runoff on crop and pasture lands; revegetation of 10 million acres of the Dust Bowl area must be accomplished to prevent recurring dust storms. Experience to date has demonstrated through cost-benefit analysis that decreased flood damage, decreased siltation, increased crop yields, and water storage for drought periods are all sufficient economic justification for public investments in soil and water conservation practices on private lands. Leveling of and planting vegetation on abandoned strip-mine areas has the double benefit of creating wildlife habitat and new recreational areas from wasteland.

The total investment needs in the soil and watershed programs for the next decade is estimated at nearly $5 million.

Because of the chronically critical nature of about 5 million acres of Dust Bowl lands, it is proposed that this area be acquired and incorporated into the public grazing districts. This will assure a continued grass cover so that the land can be leased to private ranchers for regulated grazing. Future dust storms can be prevented by a capital investment of $250 million.

This overall cost of the soil-conservation program, including land acquisition, is estimated to be nearly $5 billion.

I wish to emphasize that both soil-conservation works and forestry works can and should be carried out on Indian reservations, and the estimated needs for the Forest Service and Bureau of Indian Affairs includes such works.

WESTERN RANGE AND GRASSLANDS

The Bureau of Land Management in the Department of the Interior, which administers nearly 170 million acres of land in organized grazing districts, has estimated that nearly two-thirds of this tremendous land area is eroding more rapidly than present conservation measures are being applied. This huge area of more than 115 million acres is classed as "critical" to "severe" from an erosion standpoint. Furthermore it is producing but little forage for livestock, because pinon-juniper and cheat grass have taken over once formerly productive range. During the past 20 years conservation technicians have found methods to eliminate brush and reseed these lands to valuable forage grasses and install many types of soil conservation devices. Many more cattle and other livestock can be supported on these improved ranges after they have been given conservation treatment. The installation of water spreading devices to catch, hold and pay out scarce water in the plains increases yields of grass and forage and has the added advantage of retarding silt and preventing erosion.

The costs of range revegetation vary greatly, depending on the degree of past abuse to which the land has been subjected. Consequently any figure of the costs of these measures is necessarily a broad average based upon extensive experience and not necessarily applicable to particular situations. Recently it has been found that revegetation, the cost of bush clearing, reseeding, the installation of water spreading structures and impoundments comes to around $10 per acre. Although research data are skimpy, the minimum increase in forage which can be expected from investment in these practices is sufficient to double the carrying capacity and hence the number of cattle now carried over the western range.

The overall cost of range revegetation and other improvement measures on public land is estimated to be about $1 billion. Included in this figure are provisions for an expansion of fire protection on public lands in Alaska and the other territories.

PARKS AND RECREATIONAL LANDS

Our national parks with their forests, mountains, waters and wildlife are properties in which we all have an equal share as citizen-owners, and in which we take great national pride. Many of us have come to think of them as national museums of natural history. Nearly 50 million people visited them in 1957. We have, in addition to our 17 million acres of national parks, more than five million acres of State-owned parks visited by more millions every year. These unique natural creations are never used or developed in the sense that managed crop and forest are, but they can be abused by neglect. And more serious is the problem which these last bits of primitive America will be facing as our rapidly expanding population seeks its opportunity to visit them in the future. Provision must be made for many more campsites, with attendant sanitation and structural facilities.

Fortunately the National Park Service has embarked upon its Mission 66 program designed to assure opportunities for increasing numbers of park visitors. But even before the program is well underway, it is apparent that the sights must be raised and more effort expended. Likewise moneys must be made available to the States to refurbish and expand facilities in many State parks for the same reasons. The need estimates which I have made are based upon Mission 66 figures, but they are expanded somewhat to provide for a recreational demand which is growing more rapidly than even the most optimistic forecasters could foresee. It is not intended that monies provided will open up primitive and natural areas in the national parks. Serious consideration should also be given to funds for the purchase of three million more acres of recreational lands including sea and lakeshores and wooded areas, close to our major urban centers, to make it possible for millions who cannot afford to travel far to enjoy outdoor recreation within a short drive from home. If we do not reserve these lands now they will not be available at the time when they will be badly needed.

Another vitally important recreational need is the development of access and other facilities to our public reservoirs constructed with Federal funds. These access points will make possible greater use by sportsmen and the boating public.

The total developmental cost of the park and recreational area development program (not including that suggested for the national forests previously) will amount to more than $1 billion or $110 million per year. This does not include the purchase of three million acres for State and local park and natural areas which may cost approximately $300 million.

I add that this investment will be worth making. I underscore throughout my remarks the fact—a fact which all of us know but occasionally fail to take into consideration—of the tremendous population growth and economic demands upon the natural resources of our country.

FISH AND WILDLIFE HABITAT IMPROVEMENT

First thoughts of the out-of-doors usually turn to waterfowl, big game, and fishing. Only with experience do we begin to understand the role of trees, the soil, the lakes, and streams in the wildlife cycle. A healthy land of clean streams, growing forests, and conserved soils will in the normal course of events produce a variety of fish and wildlife. But birds and animals and fish are particular creatures, and they will become abundant only if we make a special effort to provide adequate food, nesting and hiding cover, water, and other elements of life. Our wildlife managers have found many new techniques which make it possible for wild creatures to flourish along with men.

Hunting and fishing are a big business in the United States. The Fish and Wildlife Service says that nearly 32 million of us enjoyed these sports in a recent year, and I will venture to guess that an even greater number of people set out on their vacations just in the hope of seeing a deer, a bear, or a flock of geese at sundown.

Real progress has been made in reserving strategic areas for waterfowl and some species of wildlife threatened with possible extinction. While encouraging progress has been made in developing a knowledge of wildlife management techniques through research, much more is unknown than is known. The challenge facing us now, however, is to put into practice the available techniques all over our country so that we shall have an abundance of wildlife not only for ourselves but for those who follow us. Let it not be said that this generation brought extinction to any more wild creatures. By embarking upon a well-designed program of expanded research and applied management, we can be sure of a greater abundance of wildlife than at any time in recent history—and one which, if he were alive, would make Daniel Boone rub his eyes. Not only must we apply these new techniques, but we must also continue to acquire additional strategic lands—particularly wetland areas for waterfowl which are threatened by drainage unless they are rapidly acquired.

Our National and State wildlife refuges and public hunting grounds are greatly in need of habitat development work, such as the creation of water areas and control structures, cover plantings, and other measures. About 13 million acres can be improved in this way for increased game and fish production at a cost of about $20 per acre. A large and underdeveloped opportunity in wildlife habitat improvement and fisheries management exists on private lands and public waters, most of which are included in soil-conservation districts, at an estimated cost of $200 million. Intensified research is essential to determine how fish and wildlife environment may be maintained in the face of increasing human impacts. Of utmost importance is a crash program in research to investigate effects and methods of control of pesticides on wildlife. Studies in fisheries management—both commercial and sport—are lagging badly. The minimal budget for fish and wildlife, including habitat development, research, and acquisition of five million acres of wetlands for waterfowl amounts to $650 million. The total investment needs here estimated amount to more than $11 billion, or almost $1,200,000,000 per year if spread out over the decade ahead, under normal conditions. I point out, however, that this figure includes only the priority needs which could be taken care of in a 10-year program. The minimum number of men who could be employed directly on all the programs is estimated to be 150,000 per year, mainly in small crews widely decentralized and in every State in the Union.

I am reliably informed by Mr. Mel Steen, director of the Nebraska Game, Forestation, and Parks Commission, who has canvassed conservation directors in the 48 States through the International Association of Fish, Game, and Conservation Commissioners, that the States have nearly $500 million worth of projects ready to carry out in all the activities described above.

Those are the projects to which State agencies are prepared to make contributions.

Following along the public-works proposals of the senior Senator from New Mexico [Mr. CHAVEZ], it appears that the best means for carrying out these conservation projects would be through the expansion of the action agencies programs now in the business, and who are doing some of this work with very limited budgets. I am told that the agencies could expand their work programs quite rapidly and could engage in direct force-account hiring with a minimum of contracting for the many types of activities which are called for.

I have not included in this estimate the very important need for water pollution control carried on by the United States Public Health Service. As Senator CHAVEZ's bill on public works has so clearly demonstrated, several hundred millions of dollars are needed for construction of sewage treatment plants. Future supplies of clean water can be assured only by a much greater expansion of this program.

I add, however, that that need is very evident, and I hope that the appropriate committees of Congress will not, in any way, underestimate or underemphasize the urgent need of comprehensive action in terms of the control of water pollution.

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

Mr. HUMPHREY. I am happy to yield. Earlier in my remarks, I outlined in some detail the splendid program which the Senator from New Mexico has placed before Congress in his proposed legislation.

Mr. CHAVEZ. Tomorrow morning at 10 o'clock, the House conferees will meet with the Senate conferees on the road bill, which will, in a small way at least, emphasize and try to provide for Indian roads, forest roads, national park roads, and such other roads as are needed.

The Senator from Minnesota cannot emphasize too strongly the matter of water pollution, which should be understood throughout the entire country. The elimination of water pollution is urgently needed.

I agree with everything the Senator from Minnesota is now stating.

Mr. HUMPHREY. I thank the Senator from New Mexico.

While some provisions for the expansion of research facilities are included in these estimates, no provision is made for an important accompanying effort in conservation education. No program of this Nation can be long sustained without a solid base in scientific research and public understanding.

In examining the total of this conservation program and comparing it with almost any other major investment category of Government or big business, it is amazingly small.

I have outlined a broad program which will continue for a period of 10 years.

I was truly astounded to find that this country can put its basic resources of soil, watersheds, forests, and recreational lands into a high state of productivity with the investment of slightly more than a billion dollars a year for 10 years.

When that cost is evaluated with the total cost of 1 year of the defense program, it can be seen that the amount will not be too heavy a drain upon the national economy. In 10 years, the program of conservation would actually update the entire conservation program. Much of the cost would be self-liquidating, and much would be repayable, through the production and sale of timber and other national resources. Over the course of 10 years, the cost would be only one-fifth of the cost of the defense program for 1 year.

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

Mr. HUMPHREY. I yield.

Mr. CHAVEZ. I do not believe it to be out of order to emphasize that point at this time. Last year the defense appropriation bill contained $38 billion—$8 billion more than the cost of operating all the other agencies of the the Government of the United States. So $1 billion would be insignificant compared with the cost of operating the Department of Defense as of now.

Mr. HUMPHREY. I thank the Senator from New Mexico, who has given so much of his time and effort to the matter of appropriations as well as to the matter of authorizations in the field of public works.

This figure is less than 3 percent of our current level of capital investment, which amounts to some $37 billion annually. It is the cheapest form of insurance we can buy to assure that our children's children will have fertile soil, abundant forests, adequate supplies of clear water, and pleasant, healthful outdoor recreation.

Mr. President, we cannot long allow our basic resources to be neglected without undermining the very foundations of our civilization. Most of the old Mediterranean cultures perished because their economies were very delicately balanced upon resource exploitation—not conservation. The lack of foresight and knowledge of the Greeks, Romans, and Phoenicians is evident enough in the dry bare hills surrounding much of the area which was once the garden and the

cradle of civilization. Water borne silt covers the irrigation works of the Tigris and Euphrates Rivers washed down from overgrazed watershed lands. Only a few remnant groves of the Cedars of Lebanon remain in the mountains where Solomon obtained great timbers for his mighty temple. Dust storms and muddy floods have buried Roman highways and aqueducts in north Africa and Asia Minor. The future of our American civilization—the posterity which belongs to our children and grandchildren and their children—will largely depend on the foresight we use today, the foresight in the protection of these great resources.

It is important to build great dams, highways, pollution-treatment plants, and irrigation works. We shall need them all far into the future—but they will only be useful so long as we protect, care for and nourish the basic soil, water, and forest resources which support our civilization.

Now, Mr. President, opportunity can be seized in the midst of adversity. Indeed, a calamity can be turned into victory by vigor and imagination.

We are in serious economic trouble. Many millions of our working people do not have jobs, and they cannot purchase goods and services without a paycheck.

To provide new jobs, and to stimulate our sagging economy, I have joined with other Members of the Senate in sponsoring measures to increase housing and hospital construction, sewerage works construction, and to accelerate the highway construction program. I have urged the administration to unfreeze the funds already provided by Congress for military construction, for schools, and for civil works, particularly in the field of rivers and harbors improvement and flood control.

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

Mr. HUMPHREY. I yield.

Mr. MORSE. I have listened to the Senator from Minnesota as he has delivered his speech. I interrupt him only to say, as one who has stood shoulder to shoulder with him over the years in the Senate, trying to promote a program for the conservation of our natural resources for the benefit of the people of the Nation and for future generations, that I have listened to many fine conservation speeches, but I have never listened to a more scholarly, sound one than the Senator is making this afternoon. It is a speech which I hope will be very carefully studied by our colleagues and by groups outside the Senate, because it is a speech that needs to be implemented. I assure the Senator from Minnesota that he will have my support.

Mr. HUMPHREY. I am deeply grateful to the Senator from Oregon, who, like the late great Governor Pinchot and men of the stature of the late, beloved Senator George Norris, has been and is a champion of the conservation of our natural resources. It is a great tribute to receive this commendation from the Senator from Oregon.

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

Mr. HUMPHREY. I yield.

Mr. CHAVEZ. I may add to what the Senator from Oregon has said that I am a great follower of Teddy Roosevelt. To me, his greatness does not lie especially in San Juan Hill or even the Panama Canal; to me, he was the protector of the American forests for the American people.

Mr. HUMPHREY. I am delighted to hear the Senator from New Mexico make that reference, because as I opened my discussion today, I said it was 50 years ago this week that Theodore Roosevelt, the great beloved President, called his conference of Governors to discuss the matter of protecting the national forests. It was 25 years ago today that the late President Franklin D. Roosevelt placed before Congress his request for the Civilian Conservation Corps, which made it possible for the young men of America to obtain employment in the woods and in other areas of the land to develop and protect our natural resources. That is why I waited for this day to make this address. It was not because of the content of the address, but because of the historic significance of the day. Half a century ago, it was Theodore Roosevelt; a quarter of a century ago, it was Franklin Delano Roosevelt. Today we are again talking about our resources and the need for their protection.

I have sought again and again, with many of my colleagues, to design a school construction program to meet the staggering problems of crowded and often dangerous classrooms for tens of millions of our children.

All of these proposals are things that we ought to be doing anyhow—proposals which stand on their own feet and really need no further justification. But it also happens that they would employ many hundreds of thousands in the construction and transportation industries and make an important contribution to restoring the pace of manufacturing. They will go far toward relieving distress in many areas, particularly those situated near the sites of these developments.

But the unemployed today include far more than laid-off factory, construction, and transportation workers. Because of the dramatic numbers of these unemployed, it is possible to overlook several other important groups of people who are without jobs or who have only part-time employment. For example, people in many rural communities are accustomed to part-time farming, to working in the woods on small logging operations, and to odd jobs, wherever they can get them. Many of these people are never really fully employed, nor are they unemployed according to the statistical reports. But they are chronically underemployed; and when a recession takes away their markets for pulpwood and rough lumber, they find themselves without the necessary source of cash income needed to supplement their part-time farming efforts. Larger numbers of these people are not covered by unemployment insurance than those elsewhere not covered, because the type of employment of the former is either too sporadic or is exempted from present coverage by State laws.

Another large group seriously affected by this recession is made up of young men just out of school who have not yet learned a trade or mastered a vocation. Some of them have been in trouble with the law. I am convinced that much of the current juvenile delinquency would subside if these young people were busy on healthy, productive jobs—particular jobs in the out-of-doors which challenged their strength and ability—jobs that would leave them at the end of the day tired, but happy, with a sense of useful accomplishment.

Furthermore, there is need for a public-works program which can get underway immediately, without the time delay inherent in the planning and organization of large-scale construction projects. Useful conservation projects can be an immediate answer both to the problem of rural unemployment and to that of the idle city boy who is in need of a job which will offer him hope and a healthful outlook on life and his fellow men. In the eastern part of the United States, and also in the North, the South, and the Middlewest, conservation projects in forestry, soil, and watershed conservation and in wildlife habitat improvement and recreational area development can be carried on with many small crews. Our State and National forests offer extensive acreages of forest lands on which reforestation, stand improvement work, fire-protection facilities, and other forestry projects can be carried on. Our soil conservation districts, which nearly blanket the country, are logical means for carrying out soil conservation and other land-use improvement measures on private lands.

America's stream banks are running sores in our land. Thousands of miles of them are crying out for stabilization through revegetation and rip-rapping. Many of these projects, which are needed on private lands, may provide little direct benefit to the landowner himself, but they can be of great public value.

Eroding streambanks are expensive to stabilize; yet when left unchecked they will continue to dump silt into rivers and streams and fill our reservoirs and harbors to the point of uselessness—a far more costly and irreversible result. Public moneys spent on such conservation measures on private lands are primarily beneficial to the public, rather than to the owner.

A great deal of unemployment has developed in the mining industry and mining towns in my home State of Minnesota, in the west, and in eastern coal areas. Surrounding most of these towns are large areas of public forest and rangeland which need tree planting, soil conservation, and revegetation. Spoil banks and mining dumps afford another challenge to the conservationist to put men to work.

Another group of those who have been suffering from chronic unemployment are our Indian people—both on the reservations and off. While the program as proposed does not set up a special Indian reservation conservation program, much of the suggested work can be effectively applied on reservation lands. Definite sums of adequate amounts should be allocated from the

total to the Bureau of Indian Affairs, for carrying out soil, forestry, range and wildlife conservation measures on the reservations.

Students of business cycles generally agree that conservation activities are particularly appropriate as antirecession measures. The work can be localized in areas where unemployment is greatest. Large-scale programs can be subdivided into easily managed units of relatively small, decentralized crews. Furthermore, long periods for preparation and completion of complex designs and contract negotiation are unnecessary. As a consequence, projects can be quickly initiated, and peak employment can be promptly achieved. The labor component of most conservation projects is large, in comparison with that of heavy construction projects.

Conservation projects of nearly every type can be undertaken in all parts of the country. Within an hour and one-half by automobile from this Chamber—on Upper Rock Creek and other nearby tributaries of the Potomac River—there is enough work of this kind to employ hundreds of idle young men here in Washington alone.

Mr. President, this work is needed. The countryside could well use it.

We have, to sum it up, two major problems which can be met in part by the same solution.

We have, first, the demonstrated need for a broad and intensive investment in the field of conservation—an investment that has largely been avoided and postponed since the onset of World War II. Second, we have two large groups of unemployed and underemployed people who could be placed on the conservation firing line in short order, and who could furnish the manpower, the muscle, the skills and the enthusiasm to be guided by the professional conservationists of the Federal and State agencies.

Normally, to be carried out at an efficient level of operation, such a program as the one I have suggested should be spread over a 10-year period. It would give full-time, year-around jobs to an estimated 150,000 men, at prevailing wage levels. It could—and should—be accelerated during periods of unemployment, in order to take up some of the slack. By doubling the annual projected work plans opportunity for employment of unemployed rural citizens, as well as conservation camps for city youngsters, can be provided. Included in the camp program should be provision for vocational training and conservation education.

I suggest that the concept of using these two groups of workers, first utilized in the CCC 25 years ago, and abandoned only when the Nation's full energies were demanded by the life-and-death struggle of World War II, is still valid. It is a sound experience from which to draw.

I ask, therefore, that Congress establish a new conservation corps, a more decentralized Youth Conservation Corps, more closely tied in with the Federal conservation agencies, and designed with an eye to the lessons learned by the 8 years of CCC experience. I would hope that Congress would provide the necessary authority and funds to establish a manpower base, for our young people in these camps, of at least 150,000 youth conservation enrollees and locally experienced men, to be paid at the same scale, for the conservation enrollees, as that applicable to a private in the United States Army or a seaman recruit in the Navy, and with appropriate clothing, food, and quarters furnished, as well as educational opportunities and services.

I would urge that this group of men be deployed in small, manageable units of about 50, under the direct supervision of regular conservation agency personnel, and also on-the-job training to develop a broad, new base of skills in the conservation field.

Mr. President, I wish to emphasize that in these camps of small groups, small units, and civilian control, there would be, of course, adequate clothing, adequate and wholesome and nourishing food, adequate and comfortable quarters, along with full medical protection and medical care of whatever nature required, plus educational opportunities which can be made available from existing, adjacent educational institutions or facilities, plus a cash income.

Mr. President, I submit the concurrent resolution on behalf of myself, the senior Senator from Montana [Mr. MURRAY], the Senator from Oregon [Mr. NEUBERGER], and the Senator from Wisconsin [Mr. PROXMIRE]. I ask unanimous consent that the concurrent resolution be held at the desk, in order to permit other Senators to join in sponsoring it. I have not had time to contact other of my colleagues, even though today two or three of them have already stated that they would like to join in sponsoring the concurrent resolution.

So, Mr. President, I submit, for appropriate reference, a concurrent resolution declaring that the stabilization and improvement of all public-owned natural resources should be the national policy, and declaring it to be the intent of Congress that the President shall, without delay, take all necessary steps to bring before the Congress a long-range program of public works in the field of conservation of natural resources, through his agencies in the Department of Agriculture and the Department of the Interior, for the purpose of increasing the sustained yield on public lands, of preventing recurring damages to the soil and timber resources of the country, and to improve the recreational and wildlife values of our public lands on a scale sufficient to meet the growing needs of our population.

I ask unanimous consent that the concurrent resolution be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the concurrent resolution (S. Con. Res. 76), submitted by Mr. HUMPHREY (on behalf of himself, Mr. MURRAY, Mr. NEUBERGER, and Mr. PROXMIRE, was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Whereas the express national policy of the United States for the past 50 years has been the conservation of our heritage of natural resources, in forests, soil, water, minerals and wildlife, by the setting aside of great tracts of land under public ownership; and

Whereas for the past 25 years the national policy of the United States has been the development and intelligent management of both publicly owned and privately owned lands to prevent the deterioration of these resources and to maintain sustained yields, as well as to maintain outdoor recreational resources for the use of the people of the United States; and

Whereas with the inception of World War II, the policy of intensive resource management and development could not be implemented successfully because of the drain on the manpower and financial resources of the nation; and

Whereas the great resource management and development programs commenced in 1933 have never since 1941 been resumed on a scale commensurate with the urgent needs of conservation; and

Whereas independent studies and estimates by conservationists have indicated that it is possible to achieve within a period of 10 years a level of resource management and control which can largely eliminate recurring damages and losses, assure adequate recreational facilities for our increasing population, raise the productivity of our forest, soil, watershed, and range resources, and improve the quality of our water supplies to meet the increasing needs of our people; and

Whereas data provided by the Federal conservation agencies themselves indicate that a backlog of planned projects to accomplish this goal presently exists amounting to between $11 billion and $12 billion: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That (a) the Congress request the President of the United States to consult with his conservation agencies, and to initiate comprehensive long-range plans for the acceleration of the natural resources programs of existing agencies charged with administering the national forests, national parks, wildlife refuges, Indian reservations, public domain, and established water developments;

(b) That the Congress request the President to submit to the Congress a preliminary outline of such a comprehensive program within 30 days of the adoption of this resolution, together with a request for supplementary appropriations for such elements of the program as can be expeditiously undertaken as antirecession measures during fiscal year 1959 proportionate to the overall dimensions of the estimated needs as set forth in such preliminary outline.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have the concurrent resolution remain at the desk until Thursday noon, April 3, in order to enable other Senators to join in sponsoring it.

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

Mr. HUMPHREY. Mr. President, with the adoption of the concurrent resolution, I believe that the President of the United States would be encouraged to submit to the Congress a comprehensive outline of the conservation problem as estimated by his various departments and agencies, so that for the first time we may have an opportunity to evaluate the conservation needs of the Nation, as a background for the budget requests of the executive department.

At the same time, Mr. President, with the assistance of the major national organizations in the field of conservation, I am prepared to draft a bill which would outline in some detail such a program of conservation works, and would authorize expenditures for specific conservation purposes. Such a bill, I feel, would provide a most useful yardstick by which to measure the breadth and effectiveness of the proposal of the executive branch which is requested in my concurrent resolution.

Second, Mr. President, I introduce, for appropriate reference, on behalf of myself, the senior Senator from Montana [Mr. MURRAY], the Senator from Oregon [Mr. NEUBERGER], the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from Washington [Mr. JACKSON], a bill to authorize the establishment of a Youth Conservation Corps of not more than 150,000 enrollees, for the purpose of carrying out specific public works in the field of conservation of natural resources under the direct supervision of regular employees of the several agencies of the Department of Agriculture and the Department of the Interior, the enrollees to be between the ages of 17 and 23, with the exception that not more than 15 percent of this number may exceed that age if they meet certain professional qualifications and reside in the area in which a particular conservation project is underway, or are Indians. This bill would authorize the appropriation of $375 million per year for 3 years for this purpose. One hundred and fifty thousand enrollees is the per annum figure.

I am delighted to report that the distinguished Representative from the 8th District of Minnesota, the Honorable JOHN A. BLATNIK, has agreed to introduce simultaneously in the House of Representatives an identical concurrent resolution. It is particularly fitting that Mr. BLATNIK introduce this resolution, for if I am not mistaken, he is one of the few Members, if not the only Member of the House who was himself a former enrollee in the Civilian Conservation Corps.

Mr. President, I ask unanimous consent to have printed in the RECORD my Youth Conservation Corps bill.

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

The bill (S. 3582) to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas, introduced by Mr. HUMPHREY (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the "Youth Conservation Act of 1958."

STATEMENT OF PURPOSE

SEC. 2. The purpose of this act is (1) to provide the opportunity for healthful training and employment of young men in carrying out programs of conservation of natural resources planned and designed by, and under the immediate supervision of, the various Federal agencies charged with the responsibility of planning and carrying out such programs; (2) to provide immediate work opportunities for certain unemployed men and Indians living in areas which are far from major centers of population and from major public works of a construction nature; and (3) to enable the Federal agencies charged with the responsibility of conserving and developing natural resources to accelerate programs planned by such agencies to fulfill such responsibility through the utilization of such persons.

YOUTH CONSERVATION COMMISSION

SEC. 3. There is established within the Department of Health, Education, and Welfare a commission to be known as the Youth Conservation Commission (hereinafter referred to as the "Commission"). The Commission shall be composed of six members as follows: A representative of the Department of Health, Education, and Welfare, who shall be appointed by the Secretary of Health, Education, and Welfare and shall serve as Chairman of the Commission; a representative of the National Park Service, a representative of the United States Forest Service, a representative of the Bureau of Land Management, a representative of the Fish and Wildlife Service, and a representative of the Bureau of Indian Affairs to be appointed by the Secretary of the Interior; and a representative of the Soil Conservation Service to be appointed by the Secretary of Agriculture. Members of the Commission shall be reimbursed for actual and necessary traveling and subsistence expenses incurred while engaged in the authorized functions of the Commission.

FUNCTIONS OF THE COMMISSION

SEC. 4. (a) The Commission shall advise the Director of the Youth Conservation Corps established under this act with respect to (1) the conservation and educational programs carried on by such corps, (2) the operation of such corps in general, and (3) the criteria for the selection of enrollees of the corps.

(b) Each member of the Commission who represents a Federal agency shall act in a liaison capacity between the agency represented by him and the Director of the Youth Conservation Corps in working out agreements between such agency and the Director for the utilization of the enrollees of such corps in programs of conservation, development, and management of natural resources and of recreational areas planned and designed by such agency.

TECHNICAL AND CLERICAL ASSISTANCE FOR COMMISSION

SEC. 5. The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") is authorized and directed to provide the Commission with such technical, clerical, and other assistance as may be necessary to carry out its functions.

ESTABLISHMENT OF YOUTH CONSERVATION CORPS

SEC. 6. In order to carry out the purposes of this act, there is hereby established within the Department of Health, Education, and Welfare a Youth Conservation Corps (hereinafter referred to as the "Corps") which shall be administered and directed by a director who shall be appointed by, and under the supervision of, the Secretary and whose salary shall be $ per annum.

AUTHORITY OF DIRECTOR

SEC. 7. The Director shall, with the advice of the Commission and the approval of the Secretary, have authority—

(1) to formulate rules and regulations for the operation of the Corps;

(2) to appoint, without regard to the civil-service laws and regulations, the principal subordinate officials of the Corps, and to appoint, in accordance with the civil-service laws and regulations, such other civilian personnel as he deems necessary for the efficient and economic discharge of the functions of the Corps, the compensation of all such appointees to be fixed in accordance with the Classification Act of 1949, as amended;

(3) to establish minimum standards of health, morals, and education for enrollees of the Corps;

(4) to enter into agreements with Federal agencies charged with the responsibility of conserving, developing, and managing the natural resources of the Nation, and of developing, managing, and protecting recreational areas whereby the enrollees of the Corps may be utilized by such agencies in carrying out, under the immediate supervision of such agencies, programs planned and designed by such agencies to fulfill such responsibility;

(5) to enter into agreements with and otherwise cooperate with other departments, agencies, and instrumentalities of the Federal Government in carrying out the purposes of this act;

(6) to provide a system of educational services to enrollees of the corps under which not less than 10 hours per week will be devoted to general education and vocational and conservation education; and

(7) to formulate such other rules and regulations, establish such other procedures, enter into such contracts and agreements, and generally perform such functions as he may deem necessary or desirable to carry out the provisions of this act.

ENROLLMENT

SEC. 8. (a) The corps shall be composed of a total of not more than 150,000 unmarried male individuals who are citizens of the United States, of good character and health, and who are not less than 17 nor more than 23 years of age, except that not more than 15 percent of all the individuals enrolled in the corps at any one time may be of an age in excess of 23 years if such individuals possess special conservation skills and reside in an area in which a conservation project is being undertaken by the corps. If at any time less than 10 percent of the total enrollment of the corps is composed of Indians living on reservations upon which, or near which, a conservation project is being undertaken by the corps, the Director, in accepting applications for enrollment in the corps, shall give priority to applications submitted by such Indians until such time as 10 percent of the total enrollment of the corps is composed of such Indians.

(b) In order to enroll as a member of the corps an individual must agree to comply with rules and regulations promulgated by the Director for the government of members of the corps.

(c) Enrollment in the corps shall be for a period of 1 year or such lesser time or times, including vacation periods for students, as may be established by the Director.

COMPENSATION, QUARTERS, SUBSISTENCE, ETC., FOR ENROLLEES

SEC. 9. (a) The compensation of enrollees shall be at a rate equal to that provided by law for the compensation of the lowest rank of enlisted personnel in the Army.

(b) In addition to compensation authorized in subsection (a), enrollees shall be furnished with such quarters, subsistence, transportation, equipment, medical services, and hospital services as the Director may deem necessary or appropriate for their needs. Such quarters, subsistence, transportation, equipment, medical services, and hospital services may be furnished to enrollees of the Corps directly by the Director or through the Federal agencies under the

direction and supervision of which such enrollees are working under agreements between the Director and such agencies which provide for reimbursement to such agencies from funds appropriated for the Corps.

SEC. 10. Existing provisions of law with respect to hours of work, rate of compensation, sick leave, vacation, unemployment compensation, life insurance, and compensation for sickness or temporary injury of Federal employees shall not be applicable to any individual because of enrollment in the Corps, but the provisions of the Federal Employees Compensation Act with respect to permanent disability and death shall be applicable to enrollees of the Corps.

SUPPLIES, MATERIALS, AND EQUIPMENT

SEC. 11. The Director may expend such amounts as he deems necessary for supplies, materials, and equipment for enrollees to be used in connection with their work, instruction, recreation, health, or welfare.

APPROPRIATIONS AUTHORIZED

SEC. 12. For the purpose of carrying out the provisions of this act, there is authorized to be appropriated for the fiscal year commencing July 1, 1959, and for each of the two succeeding fiscal years not to exceed $375,000,000, and for each fiscal year thereafter such amount as the Congress may determine to be necessary to carry out the provisions of this act.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that the bill be left at the desk until the close of business on Thursday next, April 3, 1958, to permit Senators to list themselves as cosponsors.

The PRESIDING OFFICER. Without objection, the bill will lie on the table as requested.

Mr. HUMPHREY. Mr. President, the Civilian Conservation Corps established by the Congress exactly 25 years ago was almost without exception considered to be one of the finest accomplishments of the administration of Franklin Delano Roosevelt. It enjoyed bipartisan support and provoked less controversy, I believe, than any major measure during the New Deal. It contributed greatly to the health of our young men, it kept an average of about 300,000 men annually employed on purposeful, meaningful jobs and training, and it accomplished a magnificent job of conservation during its short period of existence.

I recall the words of the distinguished senior Senator from Virginia during the hearings before the Committee on Education and Labor in 1952, when he said:

> I regarded the CCC during the time that it was needed, to be one of the most desirable and one of the most beneficial agencies of Government.

Yes; I think there would be few Members on either side of this Chamber who would disagree with that evaluation. And it was true that by 1942, and indeed by 1941, when the draft calls had swelled, the CCC was no longer needed to fulfill one of its major purposes—to provide healthy useful jobs for unemployed young men. The war had taken care of all our surplus labor. Where there had been between two and five applicants for every CCC opening in 1939, by early 1941, there were too few applicants to bring the CCC to strength.

Yet, the need to press forward on conservation of our natural resources has continued, despite the fact that we have for 15 years postponed any major effort in this field.

In conclusion, Mr. President, I wish to read into the RECORD the eloquent statement on resource management addressed to the Congress by the late beloved President Franklin Delano Roosevelt, in his message on January 24, 1935, transmitting a National Resources Planning Board report on public works and conservation. President Roosevelt said:

> During the 3 or 4 centuries of white men on the American Continent, we find a continuous striving of civilization against nature. It is only in recent years that we have learned how greatly by those processes we have harmed nature and nature has harmed us. * * *
>
> Furthermore, it is only within our generation that the development of science, leaping forward, has taught us where and how we violated nature's immutable laws and where and how we can repair such havoc as man has wrought.
>
> In recent years little groups of earnest men and women have told us of this havoc, of the cutting of our last stands of virgin timber, of the increasing floods, of the washing away of millions of acres of our topsoils, of the lowering of our water tables, of the dangers of one crop farming, of the depletion of our minerals—in short, the evils that we have brought upon ourselves today, and the even greater evils that will attend our children unless we act.
>
> Such is the condition that attends the exploitation of our natural resources if we continue our planless course.
>
> But another element enters in. Men and nature must work hand in hand. The throwing out of balance of the resources of nature throws out of balance also the lives of men.

I think it is most fitting and appropriate that on the 25th anniversary of the establishment of the Civilian Conservation Corps, we should rededicate ourselves as a Nation to the task of preserving and enriching our basic soil, water, forest, and wildlife resources for the use of the generations to come.

I send to the desk the concurrent resolution and bill which I discussed in some detail. It is my understanding that they are to be printed in the RECORD at the point where I asked that they be printed.

The PRESIDING OFFICER. The Senator from Minnesota is correct.

IDENTICAL DECLARATION BY BRITISH, FRENCH, AND UNITED STATES AMBASSADORS IN MOSCOW RELATING TO SUMMIT MEETING

During the delivery of Mr. HUMPHREY's speech,

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there may be printed in the body of the RECORD the text of an identical declaration presented to the Soviet Government at noon today, eastern standard time, by the British, French, and United States ambassadors in Moscow.

The declaration has received the unanimous approval of the Council of the North Atlantic Alliance. It expresses the common position of the member countries of the North Atlantic Treaty Organization.

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

> The following is the text of an identical declaration presented to the Soviet Government at noon today, e. s. t., by the British, French, and United States ambassadors in Moscow.
>
> The declaration has received the unanimous approval of the Council of the North Atlantic Alliance. It expresses the common position of the member countries of the North Atlantic Treaty Organization.
>
> The text of the declaration follows:
>
> "The present international situation requires that a serious attempt be made to reach agreement on the main problems affecting attainment of peace and stability in the world. In the circumstances a summit meeting is desirable if it would provide opportunity for conducting serious discussions of major problems and would be an effective means of reaching agreement on significant subjects.
>
> "It is clear that before a summit meeting can meet in these conditions preparatory work is required.
>
> "This preparatory work could best be performed by exchanges through diplomatic channels leading to a meeting between foreign ministers.
>
> "The main purpose of this preparatory work should be to examine the position of the various governments on the major questions at issue between them, and to establish what subjects should be submitted for examination by heads of government. It would not be the purpose of these preparatory talks to reach decisions but to bring out, by general discussion, the possibilities of agreement.
>
> "The foreign ministers, assuming they have concluded the preparatory work to their satisfaction, would reach agreement on the date and place of the summit meeting and decide on its composition.
>
> "If this procedure is acceptable to the Soviet Government it is suggested that diplomatic exchanges should start in Moscow in the second half of April."

NUCLEAR TESTING

Mr. KNOWLAND. Mr. President, I also ask unanimous consent that there be printed in the body of the RECORD as a part of my remarks a statement by the Department of State relative to the Soviet statement about nuclear testing.

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

STATEMENT BY THE DEPARTMENT

The Soviet statement about nuclear testing will, of course, be studied in detail. But some general observations can be made at once.

The Soviet statement comes on the heels of an intensive series of secret Soviet tests. They should arouse world opinion to the need to deal in an orderly and dependable way with the testing and related aspects of the disarmament problem.

Soviet official propaganda incessantly seeks to create abroad the image of a peace-loving Soviet Government. But that same government openly defies the United Nations with respect to both the substance and the procedure of disarmament.

The charter of the United Nations gives that organization broad authority with reference to principles of disarmament and the regulation of armaments. In the exercise of that authority the United Nations General Assembly has, by an overwhelming vote, approved a comprehensive first stage disarmament proposal and called on the nations concerned to begin at once technical studies as to how these proposals might be carried out. These studies included the studies needed for a supervised suspension of nuclear testing. The United States stands ready instantly to respond to that resolution. But the Soviet Union refuses to comply.

The same General Assembly reconstituted and enlarged its Disarmament Commission. The United States wants that Commission to carry out its mandate. But the Soviet Union boycotts the Commission.

The charter makes the Security Council responsible for formulating plans for the establishment of a system for the regulation of armaments. The United States has recently proposed to the Soviet Union that this responsibility be discharged. But the Soviet Union refuses to cooperate.

The Soviet Government declines to deal with the subject of armament in any of the several ways prescribed by the United Nations Charter. It prefers elusive formulations of its own.

It is elemental that free nations which want to remain free will not, and should not, forgo their indispensable collective capacity to deter and defend against aggression merely in reliance on a Soviet statement of intentions for which there is no system of verification, which can be evaded in secrecy and altered at will.

The United States again calls on the Soviet Union to deal with the vital problem of disarmament in an orderly way, in accordance with the United Nations Charter, to which the signature of the Soviet Union is affixed. That charter constitutes a solemn agreement. If it is nullified by the Soviet Union, why should the world place confidence in new Soviet engagements?

EXEMPTION FROM TAX ON ADMISSIONS TO CERTAIN MUSICAL PERFORMANCES

During the delivery of Mr. HUMPHREY's speech,

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, Calendar No. 1423, H. R. 7910, be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1305, H. R. 8794.

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

The CHIEF CLERK. A bill (H. R. 8794) to provide an exemption from the tax imposed on admissions for admissions to certain musical performances.

Mr. MANSFIELD. Mr. President, it is important that the bill be considered immediately because of a commitment a Senator interested in the bill has.

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. 8794) to provide an exemption from the tax imposed on admissions for admission to certain musical performances.

Mr. DIRKSEN. Mr. President, the Senator from New Jersey [Mr. CASE] has some interest in the bill. I would therefore like to suggest the absence of a quorum.

Mr. HUMPHREY. I hope the Senator will not do that.

Mr. DIRKSEN. I observe we are using the time while the Senator from Minnesota is waiting.

Would it be possible to withhold the consideration of the bill until the Senator from New Jersey can be present in the Chamber?

Mr. MANSFIELD. Very well.

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that the Senate return to the consideration of H. R. 8794.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 8794) to provide an exemption from the tax imposed on admissions for admissions to certain musical performances.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate resumed the consideration of the bill, which had been reported from the Committee on Finance with amendments on page 1, line 4, after the numerals "1954", to strike out "be" and insert "is"; after line 8, to insert:

SEC. 2. Section 4233 (a) (1) (C) of such code is amended by inserting before the period at the end of the last sentence thereof "or to the benefit of hospitals for crippled children, or both".

At the top of page 2, to insert:

SEC. 3. Section 4233 (a) of such code is amended by adding at the end thereof the following new paragraph:

"(11) Athletic games for benefit of retarded children: Any admissions to an athletic game between teams composed of students from elementary or secondary schools, or colleges, if the proceeds from such game inure exclusively to the benefit of an organization described in section 501 (c) (3) which is exempt from tax under section 501 (a) and which is operated exclusively for the purpose of aiding and advancing retarded children."

And, at the beginning of line 12, to change the section number from "2" to "4."

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. JAVITS. Mr. President, I have an amendment to offer. It is printed and is at the desk. I, too, would like to express my deep appreciation to the Senator from Minnesota. I will tell him in a moment why I think he has done a very fine and useful public service.

I offer my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, line 5, after "musical" it is proposed to insert "or dramatic."

On page 1, line 8, after "musical," it is proposed to insert "or dramatic."

Mr. JAVITS. Mr. President, I ask unanimous consent that there may be added as a cosponsor of the amendment the distinguished Senator from New Jersey [Mr. CASE].

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

Mr. JAVITS. Mr. President, briefly, the amendment seeks to provide the same privilege for dramatic performances as it is proposed to provide for musical performances where there is involved an organization which has civic or community membership. We have discussed the matter with the Department of the Treasury, and it has no objection to it on the ground of any revenue loss. There is no appreciable revenue loss involved. The chairman of the Committee on Finance, the Senator from Virginia [Mr. BYRD], who knows something about the operation of the New York City Center, has very graciously told me he did not expect that there would be any objection to it.

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

Mr. JAVITS. I yield.

Mr. CASE of New Jersey. I wish to express my appreciation to the Senator from Virginia for accepting the amendments to the House bill and to the Senator from New York for offering the amendment he has proposed. In both cases I believe a substantial contribution will be made to the cultural life of communities all over the Nation. I know that is true of the State of New Jersey. I am very grateful to the Senators and to the committee for the approval of the amendments and the bill.

Mr. BYRD. Mr. President, the Committee on Finance, to whom was referred the bill (H. R. 8794) to provide an exemption from the tax imposed on admissions for admissions to certain musical performances, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

In general, the amendments made to the bill provide exemptions from the admissions tax for athletic games between teams composed of students from elementary or secondary schools or colleges: First, where the gross proceeds are divided between the schools or colleges involved and hospitals for crippled children and, second, where the proceeds inure to an exempt educational, charitable, or religious organization operated exclusively for the purpose of aiding and advancing retarded children.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS] for himself and the Senator from New Jersey [Mr. CASE].

The amendment was agreed to.

Mr. HENNINGS. Mr. President, last Thursday the majority leader announced that as soon as possible the Senate would consider H. R. 8794, exempting municipal theater associations from the Federal admissions tax.

We have two outstanding nonprofit municipal theater organizations in Missouri—the St. Louis Municipal Opera and the Kansas City Starlight Theater. These two organizations, and others in the United States, are confronted with a financial crisis which will jeopardize the fine public service they are rendering to the people in their communities.

The St. Louis Municipal Opera and Kansas City Starlight Theatre are nonprofit organizations which are substantially supported by voluntary contributions from civic-minded citizens. No private individual benefits from the net earnings. Indeed, on many occasions, these organizations have suffered financial deficits which have been paid up by citizen sponsors.

In the past, the Internal Revenue Service has exempted these organizations from the Federal admissions tax under section 4233 (a) (3) of the Internal Revenue Code. Recently, however, they have reversed this ruling, and at the end of the current season these organizations will be subject to the Federal admissions tax.

H. R. 8794 was introduced, and it has passed the House of Representatives. It provides for an exemption from the tax for these organizations. The Treasury Department has submitted a report favoring the bill saying "the instant bill would merely conform the law to past practice."

I therefore hope, Mr. President, that the Senate will approve H. R. 8794 without delay.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide exemptions from the tax imposed on admissions for admissions to certain musical and dramatic performances and certain athletic events."

SHORT PAID AND UNDELIVERABLE MAIL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business, Calendar No. 1423, H. R. 7910.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate resumed the consideration of the bill (H. R. 7910) to revise the laws relating to the handling of short paid and undeliverable mail, and for other purposes.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, and was read the third time.

Mr. DIRKSEN. Mr. President, I understood the Senator from South Carolina [Mr. JOHNSTON] was going to make a statement in explanation of the bill. We have discussed the matter. I know the bill has heretofore been considered by the House and by the Senate. I am quite agreeable that an excerpt from the report be printed in the RECORD at this point, since, insofar as I know, there is no objection to the bill, and the bill has the support of the Post Office Department.

There being no objection, the excerpt from the report (No. 1398) of the Committee on Post Office and Civil Service was ordered to be printed in the RECORD, as follows:

This legislation was requested by the Post Office Department in a letter dated April 9, 1957, addressed to the Vice President. Its provisions are embodied in S. 1954, which was introduced in the Senate on May 1, 1957.

The Senate Committee on Post Office and Civil Service unanimously concurs in the House-approved amendments to the bill and recommends approval of the bill.

The pertinent portion of the House report is printed as a part of this report for the information of the Senate:

"This legislation, as introduced, and as reported, makes changes in certain existing laws and parts of laws relating to short-paid mail, mail on which no postage has been paid, and undelivered mail, with appropriate repealers of inconsistent provisions of law, in order to modernize such laws and parts of laws, facilitate the operations of the postal service with respect thereto, and carry out the expressed policy of the committee that postal rates and fees should be adjusted from time to time in order that postal revenues will more nearly equal expenses and that postal service will be improved. The Post Office Department estimates that there were 484 million postage-due transactions in the fiscal year 1956, and that anticipated volume in the fiscal year 1958 will raise this number to about 1 billion.

"Subsection (a) of the first section of H. R. 7910 authorizes the Postmaster General to prescribe by regulation the conditions for delivery, return, or other disposition of mail on which no postage or insufficient postage has been prepaid.

"Subsection (b) of this section authorizes the Postmaster General to prescribe by regulation the additional charges, over and above lawful postage, that shall be collected for delivery of such mail, and also to waive collection where it is in the interests of the Government. The committee amendment will add a provision that such additional charges shall, as nearly as practicable, equal the cost incurred for this special service.

"Section 2 authorizes the Postmaster General to prescribe appropriate fees for return of undeliverable mail from the dead-letter office to the senders. This is an additional authorization along the lines of those fees for special services which the Postmaster General is authorized to prescribe under section 12 of Public Law 233, 82d Congress.

"Section 3 eliminates reference in the present law to charging of postage for short-paid mail but retains the Postmaster General's authority to issue postage-due stamps for philatelic purposes.

"Section 4 increases from $1 to $10 the value or content of nonregistered letters that must be returned to the senders by registered mail, charging a minimum registry fee.

"Section 5 increases from 15 to 25 cents the minimum commission for selling undeliverable parcels containing perishables.

"Section 6 repeals laws or parts of laws inconsistent with this new legislation.

"Section 7 provides that the bill will be effective on the first of the third month following enactment."

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H. R. 7910) was passed.

CONTRACT POSTAL STATIONS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of calendar No. 1422, H. R. 7907.

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

The CHIEF CLERK. A bill (H. R. 7907) relating to contracts for the conduct of contract postal stations, 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 (H. R. 7907) relating to contracts for the conduct of contract postal stations, and for other purposes.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. MANSFIELD. Mr. President, the Senator who would be more capable of explaining the bill than I am is not present.

The purpose of Calendar No. 1422, House bill 7907, is as follows:

Under present law, contracts are secured by the Department in the eastern half of the United States in even years and in the western half in odd years.

Approval of this legislation will eliminate a great amount of administrative and paper work and at the same time serve to stabilize contract prices at a lower level. The cost of paperwork alone is estimated at approximately $60,000 a year, much of which will be eliminated. The savings that will result from the contracts themselves should be rather substantial.

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

Mr. MANSFIELD. I yield.

Mr. MORSE. Can the Senator tell me what the contracts are? I do not have a copy of the bill before me.

Mr. MANSFIELD. Present law authorizes the Postmaster General to enter into contracts for the operation of postal stations for a period of not in excess of 2 years. H. R. 7907 would permit such contracts for a period of not in excess of 3 years and would authorize the Postmaster General to renew any such contract at the same or a lower rate unless (1) he finds that such renewal is not in the interest of the United States, or (2) not later than 90 days before the end of the contract the Post Office Department receives a written request that the contract be opened for competitive bidding.

Mr. MORSE. Was the bill unanimously approved by the Committee on Post Office and Civil Service?

Mr. MANSFIELD. It was.

Mr. MORSE. I have no objection.

Mr. JOHNSTON of South Carolina subsequently said: Mr. President, present law authorizes the Postmaster General to enter into contracts for the operation of postal stations for a period of not in excess of 2 years. Such contracts are secured by the Department in the eastern half of the United States in even years and in the western half in odd years.

H. R. 7907 will permit the Postmaster General to contract on a 3 year basis. This will eliminate a great amount of paperwork, and it is estimated that there will be an annual savings of approximately $60,000 as a result.

The bill passed the House, without opposition, on July 1, 1957.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter addressed to the Vice President by Maurice H. Stans, Acting Postmaster General.

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

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., January 11, 1957.

Hon. RICHARD M. NIXON,
President of the United States Senate.

DEAR MR. PRESIDENT: There is transmitted herewith for consideration by the Congress a legislative proposal relating to contracts for the conduct of contract postal stations, and for other purposes.

Under the present law embodied in section 161 of title 39, United States Code, the Postmaster General is authorized "to enter into contracts for the conduct of contract

stations for a term not exceeding 2 years." Such contracts are now secured by this Department for a 2-year period, beginning July 1 of each year, alternately, with contracts in the eastern half of the United States being secured in even years, and in the western half in odd years. Contract stations established after July 1 are on the basis of the remaining portion of the 2-year period.

At this time, there are approximately 5,074 contract stations in operation, with total annual contract rates amounting to approximately $6,192,000. The annual stamp sales at these contract stations amount to many millions of dollars.

Under the program now followed, each year this Department, and postmasters in one-half of the country, must go through the program of readvertising all contract stations, the awarding of contracts, and inaugurating the service in all instances in which there is a change in the contractor. This system involves a tremendous amount of time and expense on the part of postmasters and this Department. This Department believes that it is advisable and desirable to make a change in the present practices. Under the present system, the postmaster may terminate the contracts on 24-hour notice to the contractor, and the contractor may terminate the contract by giving the postmaster 30 days' notice.

The legislative proposal would authorize the Postmaster General to enter into contracts for the conduct of contract postal stations for terms not in excess of 3 years each and at the expiration of any such term, to renew any such contract at the same or a lower contract price unless (1) he shall find that such renewal is not in the interest of the United States or (2) not later than 90 days before the end of such contract term the Post Office Department receives a written request that the contract be opened for competitive bidding at the end of such term. If the Postmaster General makes such finding, or receives such a written request, with respect to any contract entered into as provided by this legislation, he will advertise for bids for the conduct of the contract postal station involved in accordance with existing laws relating to the advertising and award of public contracts.

The enactment of the proposed legislation will, it is believed, tend to result in decreased expenditures by this Department, but there is not available sufficient information upon which to base an estimate as to the amount of such reduction in expenditures. This Department urges early enactment of the legislation.

The Bureau of the Budget has advised that there would be no objection to the submission of this legislative proposal to Congress.

Sincerely yours,

MAURICE H. STANS,
Acting Postmaster General.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendments to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 7907) was ordered to a third reading, read the third time, and passed.

ADVERTISEMENT OF MAIL ROUTES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar 1425, House bill 9240.

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

The CHIEF CLERK. A bill (H. R. 9240) to revise certain provisions of law relating to the advertisements of mail routes, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD].

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with amendments, on page 2, line 2, after the word "than", to strike out "20" and insert "30", and in line 5, after the word "period.", to insert "The advertisement shall be conspicuously posted in each post office to be served under the contract."

Mr. JOHNSTON of South Carolina subsequently said: Mr. President, it is the purpose of H. R. 9240 to modernize the laws relating to star-route contracts for the carrying of mail. Presently, such contracts have a life of 4 calendar years running from July 1 to June 30. The law requires that the routes be advertised as a single group on a nationwide basis for a period of 60 days.

In order to comply with this requirement, preparations for the voluminous advertisement begin as early as November and continue until April or May. In many instances, changes occur during the interval which necessitate amending the group advertisement at considerable expense to the Post Office Department.

H. R. 9240 would authorize the Post Office Department to advertise for bids on an individual basis in the area involved. This will be a great improvement over the present method and should be less costly.

The committee amendments are:

First. Page 2, line 2, strike out the figure "20" and insert in lieu thereof the figure "30."

Second. At the end of section 2, add the following sentence:

The advertisement shall be conspicuously posted in each post office to be served under the contract.

The first amendment is to make sure that ample time is provided for all interested parties to consider and prepare bids. The second amendment is to make sure that maximum notice be given the public of opportunities to bid on star-route contracts. Both of the amendments are in the interest of the public and will in no way handicap the Post Office Department.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

FORT CLATSOP NATIONAL MEMORIAL, OREGON

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar 1429, Senate bill 3087.

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

The CHIEF CLERK. A bill (S. 3087) to provide for the establishment of Fort Clatsop National Memorial in the State of Oregon, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD].

The motion was agreed to; and the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purpose of commemorating the culmination, and the winter encampment, of the Lewis and Clark Expedition following its successful crossing of the North American Continent, there is hereby authorized to be established, in the manner provided herein, Fort Clatsop National Memorial.

SEC. 2. The Secretary of the Interior shall designate for inclusion in Fort Clatsop National Memorial land and improvements thereon located in Clatsop County, Oreg., which are associated with the winter encampment of the Lewis and Clark Expedition, known as Fort Clatsop, and, also, adjacent portions of the old trail which led overland from the fort to the coast: *Provided*, That the total area so designated shall contain no more than 125 acres.

SEC. 3. Within the area designated pursuant to section 2, the Secretary of the Interior is authorized to acquire land and interests in land by purchase, donation, with donated funds, or by such other means as he deems to be in the public interest.

SEC. 4. Establishment of Fort Clatsop National Memorial shall be effected when there is vested in the United States of America title to not less than 100 acres of land associated with the historical events to be commemorated. Following its establishment, Fort Clatsop National Memorial shall be administered by the Secretary of the Interior pursuant to the act of August 25, 1916 (39 Stat. 535), as amended.

Mr. NEUBERGER. Mr. President, this bill will authorize establishment under our National Park Service of the first national historical shrine anywhere on the long trail of Lewis and Clark, from St. Louis to the shores of the Pacific Ocean.

Such recognition has been long overdue. That is why I have originated this proposal and that is why I am grateful for the assistance I have received from the distinguished chairman of the Senate Committee on Interior [Mr. MURRAY] and from the Interior Department, through Under Secretary Hatfield Chilson. I also want to express my gratitude to the able junior Senator from New Mexico [Mr. ANDERSON], himself an authority on western history, who has taken a keen personal interest in this bill.

The bill will authorize the Federal Government to erect a suitable museum and other facilities at Fort Clatsop, near the mouth of the Columbia River, where the first of all westbound Americans spent the bleak winter of 1805–6, after their epochal pilgrimage across the continent, carrying our flag. Cost of the facilities will be about $276,000. The custodianship of the fort and its museum then will be carried on under the direction of the National Park Service, as a national memorial park. All of us respect the keen and reliable efficiency of this splendid agency of Government.

Mr. President, I also want to thank my two cosponsors of the bill in 1955, S. 2498, that originally made possible the National Park Service study, which has resulted in the status recommended for Fort Clatsop by Director Conrad L. Wirth and other officials of the Service. They were the able senior Senator from Oregon [Mr. MORSE] and the distinguished senior Senator from Idaho [Mr. DWORSHAK]. Their cooperation has been most valuable, unstinted, and effective.

I believe lovers of American history from coast to coast will rejoice that the Senate has given this recognition to the marvelous cross-country hegira of Meriwether Lewis and William Clark, an exploration which President Theodore Roosevelt once described as "all that an exploration ought to be."

If the Senate passes S. 3087 today, I pledge myself to cooperate in every possible way on a nonpartisan basis with the Congressman from the First Oregon District, in which Fort Clatsop is located, the Honorable WALTER NORBLAD, in helping to secure further approval for S. 3087 in the House of Representatives. Our goal is to have the bill on the desk of President Eisenhower for his signature, so that the National Memorial Park at Fort Clatsop may be formally dedicated by 1959, which will mark 100 years of statehood for the State of Oregon.

Mr. President, I ask unanimous consent to include at this point in the RECORD excerpts from the favorable report on S. 3087 which I presented last week in behalf of my colleagues on the Senate Interior and Insular Affairs Committee, and which includes letters recommending passage of the bill from the Department of the Interior and from the Bureau of the Budget.

There being no objection, the excerpts from the report (No. 1404), were ordered to be printed in the RECORD, as follows:

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 3087) to provide for the establishment of Fort Clatsop National Memorial in the State of Oregon, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

This legislation accords national memorial status to Fort Clatsop in Oregon, situated in the vicinity where the intrepid adventurers, Meriwether Lewis and William Clark, ended their westward trek which brought the American flag overland across the continent for the first time in 1805.

The site is located in Clatsop County, Oreg., near the mouth of the Columbia River. More specifically, it is situated on the west bank of the Lewis and Clark River, 1.8 miles south of its mouth. The shore of the Pacific Ocean lies 3.5 miles directly west. It is close to Astoria, Oreg.

AUTHENTICITY OF THE SITE

Available documentary evidence does not absolutely establish the identity of the site presently owned and claimed by the Oregon Historical Society as being the authentic Fort Clatsop site, but by inference and in terms of general description and geographical data it does support the authenticity of the site. Tradition and oral testimony dating from early white travelers to the proximity of the site, and also that of early Indian inhabitants of the region, present firm support, unbroken by any question of doubt, for the authenticity of the site as being in this general vicinity. In all likelihood, the area designated for establishment as a national memorial does contain the site of Fort Clatsop. Because the documentary evidence on this point is not conclusive, this legislation provides for national memorial status for Fort Clatsop rather than national monument status.

HISTORY OF THE SITE

President Thomas Jefferson's instructions to Meriwether Lewis and William Clark required them to "explore the Missouri River, and such principal stream of it, as * * * may offer the most direct * * * communication across this continent." The explorers considered their mission completed when, on a bleak November day in 1805, they saw the broad tidal estuary of the Columbia River from a point on the north bank a short distance above Grays Bay. After visiting the seashore, they crossed to the south side of the Columbia to seek a winter campsite which would be more sheltered from the ocean winds and more abundantly supplied with game. A suitable location was found on the first high ground encountered above the mouth of the present Lewis and Clark River. Here, on December 7, 1805, a camp was made. This was to be winter headquarters.

A small log fort, 50 feet square, was erected and named "Fort Clatsop." The men moved into it on Christmas Day. While waiting here for the coming of spring, they explored the surrounding country and a detachment was sent to the seacoast to make salt. Lewis and Clark here rewrote their journals and drew several of the maps which were among the most important products of the expedition. On March 23, 1806, the fort was abandoned and the homeward journey to St. Louis was commenced.

DEVELOPMENT OF THE MEMORIAL

The size of the three areas presently owned at the Fort Clatsop site by the Oregon Historical Society, the Clatsop County Historical Society and Clatsop County totals approximately 6.7 acres. The Oregon Historical Society, organized in 1898, has invested approximately $50,000 in faithfully reconstructing a replica of the original fort.

S. 3087 authorizes the acquisition of additional acreage at the Fort Clatsop site and imposes a limitation of 125 acres thereon. The estimated cost of developing the Fort Clatsop area, exclusive of the cost of purchasing additional acreage, is about $236,500. The cost of administering the proposed area would be about $22,000 annually. The cost of repairs to existing facilities is estimated at $18,600. These are no firm figures for the cost of purchasing the additional land to be needed but it is estimated that this would amount to approximately $30,000.

The committee unanimously recommends the enactment of this legislation.

AGENCY REPORTS

Set forth below is the favorable report of the Department of the Interior and the report of the Bureau of the Budget in which it is stated that that agency has no objection to the enactment of S. 3087.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., March 18, 1958.

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

DEAR SENATOR MURRAY: Your committee has requested a report on S. 3087, a bill to provide for the establishment of Fort Clatsop National Memorial in the State of Oregon, and for other purposes.

We recommend favorable consideration of this bill.

The members of the historic Lewis and Clark Expedition wintered at the site known as Fort Clatsop from December 1805 into March 1806. We have made a study of this area and, pursuant to the act of June 18, 1956 (70 Stat. 289), investigated the advisability of establishing Fort Clatsop as a national monument. Our favorable recommendation on the proposal was submitted to the Congress on January 9, 1958.

In our opinion, Fort Clatsop is one of the most important sites associated with the epoch-making Lewis and Clark Expedition. We consider it to be the most important site on the Pacific coast associated with that expedition. Fort Clatsop is the place the expedition selected, after it had reached the Pacific Ocean, where it would remain until the passing of the severe winter months made feasible an attempt to recross the mountains and the wilderness to white civilization. In a very real sense, Fort Clatsop signalizes the successful crossing of the continent by Lewis and Clark. The skill, perseverance, tact, and calm determination shown in overcoming difficulties encountered in crossing thousands of miles of hostile wilderness have served to inspire generations of Americans.

The Bureau of the Budget has advised us that there is no objection to the submission of this report to your committee.

Sincerely yours,
HATFIELD CHILSON,
Acting Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., March 14, 1958.

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

MY DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Bureau on S. 3087, a bill to provide for the establishment of Fort Clatsop National Memorial in the State of Oregon, and for other purposes.

S. 3087 would carry out the recommendations of the Secretary of the Interior based on a study of the Fort Clatsop area made pursuant to Public Law 590, 84th Congress, approved June 18, 1956.

The Bureau of the Budget would have no objection to enactment of this bill.

Sincerely yours,
ROBERT E. MERRIAM,
Assistant Director.

FREE IMPORTATION OF AUTOMOBILES AND PARTS FOR SHOW PURPOSES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1419, House bill 776.

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

The CHIEF CLERK. A bill (H. R. 776) to permit temporary free importation of automobiles and parts of automobiles when intended solely for show purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with an amendment, on page 1, line 11, after the word "purposes", to insert a semicolon and "except that (A) the privileges granted by this subdivision in respect of imports from a foreign country shall be allowed only if the Secretary of the Treasury shall have found that such foreign country allows, or will allow, substantially reciprocal

privileges in respect of similar imports to such country from the United States, and if the Secretary of the Treasury finds that a foreign country has discontinued, or will discontinue, the allowance of such privileges, the privileges granted shall not apply thereafter in respect of imports from such foreign country; and (B) articles imported under this subdivision shall be admitted under bond for their exportation within 6 months from the date of importation, in lieu of the period specified above, and such 6 months period shall not be extended."

Mr. BYRD. Mr. President, the purpose of House bill 776, as amended, is to extend the provisions of section 308 of the Tariff Act of 1930, as amended—United States Code, 1952 edition, title 19, section 1308—providing for the temporary free importation under bond for exportation of certain articles, to automobiles, automobile chassis, automobile bodies, cutaway portions of any of the foregoing, and parts for any of the foregoing, finished, unfinished, or cutaway, when intended solely for show purposes.

The bill passed the House unanimously, and was unanimously approved by the Senate Finance Committee.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

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.

SUSPENSION OF DUTY ON CRUDE CHICORY

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1420, House bill 5005.

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

The CHIEF CLERK. A bill (H. R. 5005) to suspend for 2 years the duty on crude chicory and to amend the Tariff Act of 1930 as it relates to chicory.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD].

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments, on page 1, line 11, after the word "before," to strike out "chickory" and insert "chicory,", and on page 2, line 8, after the word "act," to insert "and prior to the expiration of two years after such date."

Mr. BYRD. Mr. President, the purpose of H. R. 5005, as amended, is to suspend for a period of 2 years the duty on crude chicory, except endive, and to provide for a new rate of 2 cents per pound on chicory ground or otherwise prepared for the same temporary period.

The bill as passed by the House would have provided for a permanent rate of 2 cents per pound on chicory ground or otherwise prepared, while providing for only a 2-year suspension of the duty on crude chicory. The Finance Committee amended the bill to provide for a rate of 2 cents per pound on ground or prepared chicory, only during the time of the suspension of duty on the crude. At the end of the suspension the duty on ground or prepared chicory would be restored to 2½ cents per pound.

The bill was unanimously approved by the Senate Committee on Finance.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. DIRKSEN. Mr. President, the Senator from Michigan [Mr. POTTER], who is unavoidably detained, is very much interested in this bill, because there are a number of plants in the State of Michigan which process crude chicory. I ask unanimous consent that a statement prepared by the Senator from Michigan be printed in the RECORD at this point.

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

STATEMENT BY SENATOR POTTER

I should like to make a few remarks explaining why I had objected to this measure. Michigan at one time had a chicory-producing industry. That industry no longer exists. We do, however, have an industry, which processes by grinding and roasting the crude chicory, that is vitally interested in this bill. H. R. 5005, as it passed the House, would have temporarily increased the margin between crude chicory and prepared chicory to 2 cents per pound. It would have provided for a permanent rate of 2 cents per pound on chicory ground or otherwise prepared while providing for only a 2-year suspension of the duty on crude chicory. This would have meant that at the end of the suspension of the duty on crude chicory, the spread between crude and prepared would have been reduced to only 1 cent per pound. The present spread of 1½ cents is not sufficient to compensate for the difference between quotations in this market of foreign chicory roasting concerns and domestic costs.

I am grateful that our Finance Committee amended the House bill to provide for a rate of 2 cents per pound on ground or prepared chicory, only during the time of the suspension of duty on the crude. At the end of the suspension, the duty on ground or prepared chicory would be restored to 2½ cents per pound; thus retaining the present spread of 1½ cents. This margin is little enough. It should be more.

I am conceding for this temporarily period, but I feel strongly that the margin should be greater and that in the future we will be able to restore a proper margin between the roasted and crude chicory. The Tariff Commission has stated that imported prepared chicory is being sold on the domestic market at 2 to 4 cents under the price at which domestic roasters can sell their product. With this in mind, I hope that the Congress will become cognizant that our domestic industry must depend on some margin and I hope that the roasting industry will not be driven out of business as was the crude chicory-growing industry.

BALLS BLUFF NATIONAL CEMETERY, VA.

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1428, Senate bill 2715.

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

The CHIEF CLERK. A bill (S. 2715) to disestablish the Balls Bluff National Cemetery, Loudon County, Va., and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD].

The motion was agreed to, and the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized to disestablish the Balls Bluff National Cemetery, Loudoun County, Va., and to remove the remains interred therein to another national cemetery.

EXPEDITIOUS PAYMENT OF DEATH GRATUITY BENEFITS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1418, House bill 5382.

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

The CHIEF CLERK. A bill (H. R. 5382) to amend sections 102, 301, and 302 of the Servicemen's and Veterans' Survivor Benefits Act.

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, which had been reported for the Committee on Finance on page 1, line 5, after the word "inserting", to strike out "'507,'" and insert "'507 (except as to Philippine Scouts enlisted pursuant to Public Law 190, 79th Congress)'."

Mr. BYRD. Mr. President, the purpose of the proposed legislation is to amend the Servicemen's and Veterans' Survivor Benefits Act insofar as that act deals with the payment of death gratuity benefits and the pay and allowance of enlisted members of the Philippine Scouts and the insular force of the Navy.

Under existing law, the Secretary of each service concerned is required to pay a death gratuity immediately upon official notification of the death of a member of the uniformed services to certain named dependents.

There are occasions when it is not feasible for the military services to effect payments in this immediate manner as a regular procedure. And it is obvious from the hearings which led to the enactment of the Survivor Benefits Act that such immediate payment in all cases was not intended. Under the proposed legislation, therefore, immediate payment of the death gratuity would be required in those cases where the survivor of a deceased member was living with him or in the vicinity of the deceased member's duty station at the time of his death. In all other cases, the proposed legislation would require payment to be made as expeditiously as possible.

The amendments to sections 301 and 302 which deal with the payment of death gratuity benefits are technical in nature, and were proposed by the Department of Defense.

The purpose of the bill is to correct that situation. The bill has the unanimous approval of the Senate Committee on Finance.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

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.

Mr. SMATHERS subsequently said: Mr. President, I move that the Senate reconsider its previous votes in agreeing to the amendment to Calendar No. 1418, House bill 5382, and in having the amendment engrossed and the bill read a third time and passed. Apparently, in the form in which the bill was passed, it contained two provisions which it should not contain. I make this motion in order to have the Senate correct what has previously been done.

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

Mr. COOPER. Was there any opposition to the bill?

Mr. SMATHERS. No; neither in its original form nor as amended.

Mr. COOPER. I have no objection, Mr. President.

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

The motion was agreed to.

The PRESIDING OFFICER. The bill is now before the Senate, and is open to amendment.

Mr. SMATHERS. Mr. President, I submit the amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 1, beginning with line 3, it is proposed to strike out down to and including line 2 on page 2, as follows:

That sections 102 (10) (A) and 102 (11) (D) of the Servicemen's and Veterans' Survivor Benefits Act are each amended by inserting "507", immediately after "201 (f),".

SEC. 2. The amendments made by this act shall take effect as of January 1, 1957, but shall govern payments under title II of the Servicemen's and Veterans' Survivor Benefits Act only for periods after the last day of the first month which begins after the date of enactment of this act.

On page 2, in line 3, it is proposed to strike out "SEC. 3. Section" and to insert "That section."

On page 2, in line 7, it is proposed to strike out "SEC. 4", and to insert "SEC. 2."

On page 2, after line 21, it is proposed to insert the following:

SEC. 3. The amendments made by this act shall take effect as of January 1, 1957.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

The question is on agreeing to the amendments submitted by the Senator from Florida.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 5382) was read the third time, and passed.

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of the amendments to the bill.

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

EXPLANATION OF AMENDMENTS

These amendments will strike out sections 1 and 2 of the bill and retain intact the present provisions of sections 3 and 4, which are desirable for amending the existing law. These sections retain the existing provisions which require the immediate payment of death gratuity benefits where the survivor of a deceased member was living with him or in the vicinity of the deceased member's duty station at the time of his death and grants authority for the Department of Defense in other situations to make payments as expeditiously as possible. This would be effective as of January 1, 1957, the date of the original act.

On September 4, 1957, the Defense Department submitted a report to the committee which stated the purpose of sections 1 and 2 of the bill is to bring the members of the insular forces of the Navy under the provisions of the Servicemen's and Veterans' Survivor Benefits Act with respect to (1) death gratuity and (2) old-age and survivors insurance and to provide for the uniform application of dependency and indemnity compensation paid to widows of active and former members of the insular forces of the Navy, etc. The Bureau of the Budget advised that there was no objection to this report.

Mr. SMATHERS. The action taken by the committee was in accordance with the recommendations of the Defense Department to the committee. It now appears that although no supplemental report was furnished to the Committee on Finance, the Defense Department, by administrative action taken in November 1957, is already withholding social-security tax from the base pay of these men, retroactively to January 1, 1957, and has been paying death gratuity in such cases.

Since the primary purpose of sections 1 and 2 has been accomplished administratively, there is no need for retaining them in the proposed bill. In fact, the enactment of sections 1 and 2 in their present form would adversely affect a group of widows of former members of the insular forces of the Navy and Philippine Scouts by reducing their present dependency and indemnity compensation paid by the Veterans' Administration.

The amendments which I propose will eliminate this discrimination. I might add that these amendments are advocated by the American Legion and has the full support of the Philippine Ambassador, the Honorable Carlos P. Romulo.

FISHERIES LOAN FUND

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1395, S. 3295.

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

The CHIEF CLERK. A bill (S. 3295) to amend the Fish and Wildlife Act of 1956 in order to increase the authorization for the fisheries loan fund established under such act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. I wish to take this occasion to again thank the Senator from Minnesota for his courtesy in yielding.

STATEMENT BY SECRETARY OF AGRICULTURE BEFORE THE SENATE SUBCOMMITTEE ON AGRICULTURAL APPROPRIATIONS

Mr. DIRKSEN. Mr. President, the Secretary of Agriculture appeared before the Subcommittee on Agricultural Appropriations of the Committee on Appropriations this morning and made a rather cogent and current statement. I ask unanimous consent that it be printed in the body of the RECORD at this point.

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

STATEMENT BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON BEFORE THE SENATE SUBCOMMITTEE ON AGRICULTURAL APPROPRIATIONS, MARCH 31, 1958

Mr. Chairman and members of the committee, I appreciate this opportunity to review developments in United States agriculture and to consult with you on some of its problems.

I should like to begin with some of the facts about agriculture's present position.

FARM INCOME

Farm income is, of course, of major intertest because it is so closely related to the farm family's standard of living, which in turn is the basic concern underlying most of the Department's work.

What was the trend of farm income in 1957? The answer to that question depends on which measuring rod you use.

There are three principal ways to measure farm income:

1. Realized net income of farm operators: This excludes changes in the farm inventory. According to this measuring rod, which is the one customarily used, farm income was down 4 percent in 1957.

2. Total farm net income: This includes realized income plus changes in inventory. According to this measuring rod, farm income was up 4 percent in 1957.

3. Per capita income of people on farms: This is the most realistic gage of income because it more accurately reflects the whole picture, particularly changes in populaton. According to this measurement, the 1957 income per person on farms, from all sources both farm and nonfarm, was the highest in history.

Now let's look at the figures. Farmers' realized net income in 1957 was $11.5 billion, compared with $12 billion in 1956. This drop resulted from two primary causes:

First, a 3-percent increase in total farm production expenses—one of the jaws of the old familiar cost-price squeeze. Production expenses reached a new high last year.

Second, a wet fall and delayed harvest which sharply reduced marketings late in 1957 and thus caused a very substantial buildup in stocks on farms as of January 1, 1958.

In other words, some income which was produced and which would normally have been realized in 1957 was postponed and will be realized this year.

In contrast to the dropoff in realized net income, total net income including the inventory change rose from $11.6 billion in 1956 to $12.1 billion in 1957—a gain, as I mentioned earlier, of 4 percent.

We use this total net income figure in determining the per capita income of farm people. It is also more comparable with the way the income of nonfarm people is computed. On a per capita basis, income of the farm population from all sources was at a record high of $993 in 1957, up 10 percent from 1956 and 2 percent above the previous peak reached in 1951. Much of the change from 1956 to 1957 reflected the estimated 8 percent drop in farm population for 1957.

PRODUCTION AND SUPPLY

Our agriculture in 1957 was characterized by high production, strong domestic demand, and record exports. Output of both crops and livestock products held at or close to the peak 1956 level. Expanding population, high economic activity, and record consumer income created a strong domestic market for food and other farm products. Heavy exports of wheat, cotton, and rice reduced carryovers of these commodities during the 1956–57 year and further decreases are in prospect in 1957–58.

Aided by Government programs, wheat exports in the 1956–57 crop marketing year reached an alltime high of 549 million bushels. Two-thirds of our wheat exports were moved under special Government programs. The wheat carryover dropped 124 million bushels to 909 million on July 1, 1957. A further reduction of about 30 million bushels may occur by July 1, 1958, on the basis of expected exports of about 400 million bushels.

United States cotton exports in fiscal 1957 were the largest in 23 years; and the supply of cotton in the current season is considerably smaller than the record high of 27.6 million bales of 1956–57. The starting carryover last August 1 was about 11.2 million bales—3.3 million bales smaller than the record of 14.5 million August 1, 1956. The 1957 crop, estimated at 10.9 million running bales, was 2.3 million below the 1956 crop. We expect the carryover on August 1, 1958, to be reduced another 2½ million bales—making a total reduction of more than 5½ million bales in 2 years.

Feed supplies are in a different situation. Total feed concentrate supplies, which reached 200 million tons for the first time in 1956, increased another 9 percent in 1957. The big supply, estimated in January 1958 at 218 million tons, resulted from a favorable growing season and record stocks of 49 million tons carryover from previous years.

A further increase of around 10 to 12 million tons in carryover stocks by October 1, 1958, is in prospect.

The big carryover for 1958 practically assures adequate supplies for 1958–59 as well. This would be true even if the 1958 growing season should be the poorest in 50 years.

FOOD CONSUMPTION AND OUTLOOK

Our people continue to have an abundance of available food.

Civilian consumption of food per person in 1957 was 1 percent lower than in 1956, but it exceeded the rate of the immediate pre-World War II period by 12 percent, and that of the immediate postwar period by 2 percent. Our people ate record per capita amounts of chicken and turkey meat and a near record quantity of beef.

Domestic demand has been strong and rising throughout most of the period since 1951. The number of consumers has steadily increased. During 1957, business activity, employment, and consumer incomes were high. Consumers continued to spend about one-fourth of their disposable income for food.

Even though there has been some slack off in employment in recent weeks, buying power is still sustained at a high level. It is fortunate that the economy has been sound during the adjustment period for agriculture.

Domestic demand for food this year is expected to continue at about the same level as last year. Food supplies will be close to the high 1957 level and civilian consumption per person will be about the same as last year. Red meat and egg consumption may drop a little, while consumption of poultry meat may rise slightly. Per capita consumption of milk and dairy products is expected to exceed slightly the 1957 overall rate.

THE CURRENT SITUATION AND OUTLOOK

As for production, record harvests and declining prices of feed are strong stimuli to livestock. The 1957 fall pig crop was 2 percent larger than in 1956. The 1958 spring pig crop may be up about 5 percent from 1957, according to March indications in 10 States. Prices of hogs will likely hold up well through midsummer. Prices in the fall of 1958 will be lower than a year earlier, but no severe price reduction is expected.

Cattle numbers on farms probably will hold steady or decrease a little for another year or two. If consumers' incomes and demand for beef remain high, gradually rising prices for cattle can be expected during this period.

Total milk output in 1958 will set a new record. Abundant supplies of feed and increasing milk production per cow will be important factors. Production probably will be a billion or more pounds above the 126.4 billion pounds produced in 1957.

Egg producers should find 1958 a more profitable year than 1957, but prospects for producers of poultry meat are not as favorable. Broiler production for 1958 will probably rise above the 1957 record of about 1.4 billion birds.

Other aspects of the current situation are these:

During the present fiscal year, agricultural exports, while not likely to equal the record level of $4.7 billion in 1956–57, will probably exceed the level of 1955–56.

The level of living on farms is at an alltime high.

The rate of farm foreclosures in the year ending March 1, 1957, was down slightly from the year before and continued at low levels compared with the 1930's and early 1940's.

Farm assets are at an alltime high—$183 billion as of January 1, 1958. Farmers have less than $11 in debts for each $100 of assets. Owner equities rose 7 percent during 1957 to a peak of $168.4 billion.

Farm ownership is also at a record high. Only 1 in 3 owner-operated farms has a mortgage.

The family farm continues to dominate agriculture. Ninety-six percent of our farms and ranches are family operations, about the same as 30 years ago.

The postwar downtrend in prices which started in 1951 has been reversed. Prices received by farmers increased 6 percent from January to March and are 11 percent above a year ago and 15 percent above 2 years ago.

The buildup of surpluses has been reversed. Government investment in surplus farm products owned and under loan has dropped considerably in the past year and a half.

But we all realize that, despite these more favorable developments, agriculture is still having difficult times. Nobody knows that better than I. And nobody is more deeply concerned about it.

The farm part of our economy has not shared adequately in our national prosperity.

The people on over half of our farms—the small farms—do not receive much benefit from price-support programs.

Smaller and smaller acreage allotments are restricting the opportunities for our cotton farmers, our tobacco growers, our wheat and corn producers. Efficiency in many cases is bound to be crippled when cotton allotments are less than 15 acres—as 7 out of 9 allotments now are.

Land diverted from wheat and cotton has gone into sorghums, oats, and barley.

Corn producers can't live within their allotments—which is why only one-seventh of the corn produced in the commercial area last year was in compliance. These conditions pose a threat to hog producers—to the entire livestock industry—to poultry producers—to the dairy industry.

Farmers are being hurt by the cost-price squeeze—by rising prices of operating necessities.

Since 1950 gross farm income has gone up $2.3 billion—but farm costs of operation have gone up $3.7 billion. They went up $600 million last year alone. There is no question about it, farm incomes today are out of line with profits and wages.

This is the background against which we view the work of the Department in the months ahead.

DISPOSAL OPERATIONS

The record of the past few years in moving our commodity surpluses into useful consumption is undoubtedly pleasing to the chairman and other members of this committee. This has been, of course, a costly but necessary operation. Most of our commodity stocks must be sold for less than their acquisition value—and a sizable quantity must be disposed of through outright donation. Nevertheless, there are several favorable factors in our current disposal program.

In the period from July 1, 1952, through January 31, 1958, the latest date for which complete information is available, surplus commodities having a cost value of $13.2 billion were moved out of the CCC inventory. In the past 2 years the substantial outmovement of farm products has exceeded the rate of acquisition. From an alltime peak of $8.9 billion in February 1956, the CCC investment in commodities owned and under loan had been brought to $7.2 billion in December 1957—a drop of $1.7 billion in a little less than 2 years.

CCC stocks of several commodities are still larger than we'd like to see. They put downward pressure on prices received by farmers, they are costly to store, and there is always the danger of deterioration and waste. Consequently, any decrease in the commodity stockpile is gratifying. You'll recall that not too long ago the surpluses were coming in the back door faster than we could move them out the front. In fiscal years 1956–57, for every dollar's worth of surpluses taken into the inventory, $1.41 was moved out. For the 1953–55 period, however, for every dollar's worth taken in, only 56 cents' worth moved out.

In carrying on our disposal activities, we have strongly emphasized sales for dollars. It's a policy that is bringing results. Sales for dollars constitute, by a big margin, our most important disposal outlet. Of the $12.2 billion worth of commodities disposed of in the past 4½ years, 60 percent of the volume represented dollar sales. The actual dollar proceeds on these transactions amount to $5.8 billion. Export sales for dollars in fiscal 1957 were $700 million higher than in fiscal 1956.

Other disposal methods must be used when dollar sales cannot be made. Fortunately, the Congress has provided us with a kit of disposal tools that will fit almost every need.

For example, we can barter. Under this authority we have swapped $1.4 billion worth of surplus farm products in recent years for such strategic and critical materials as cadmium, titanium, and industrial diamonds.

Since July 1, 1953, about $1.4 billion worth of CCC-owned commodities have been disposed of for foreign currencies under Public Law 480—the Agricultural Trade Development and Assistance Act of 1954. The foreign currencies acquired under the program are loaned or granted to importing countries for economic development purposes. They also are used by the United States to buy strategic and critical materials; to develop new markets; to procure military equipment and services; and to pay our obligations abroad. This, obviously, is not a giveaway program. It has been a positive factor in advancing our interests abroad. And it has been helpful to other countries. It has, in fact, been a most constructive use of our abundance.

In addition, food surpluses are being donated for useful purposes both at home and abroad. In this country surplus foods are going to school lunch programs, and to needy people in institutions and on relief rolls. Through private welfare organizations, international organizations, and the International Cooperation Administration, surplus American food is being used to relieve hunger abroad. Our country is reaping rich dividends from these donations.

During my recent trip around the world, I saw the gratitude with which our food supplies were received—the friendliness it was engendering in Japan, in Hong Kong, and Pakistan, and other places of dire need. I feel sure that these donated commodities are helping to develop eating habits that may, in the long run, mean future markets for our agriculture.

SECTION 32

Section 32 operations continue to be an important mechanism for supporting the market for various commodities, removing surpluses and providing commodities to eligible outlets, particularly the school lunch program. In 3 of the past 4 years—1954, 1956, and 1957—obligations for purchase of commodities under section 32 have been the highest on record. In recent years, the scale of section 32 operations has turned very largely upon the extent of purchases of livestock products, especially pork and beef.

For example, in fiscal year 1954, $84 million was spent for canned beef and gravy and in 1956, $101 million was spent for pork and lard. Substantial amounts were also used for dairy and poultry products. For dairy products, especially butter, $87 million was spent in 1954, $78 million in 1956, and $55 million in 1957. Other large programs in 1957 included $16 million for eggs and $10 million for turkeys.

For the first half of fiscal year 1958, obligations for commodity purchases under section 32 totaled approximately $74 million, with the largest amount being committed for butter. Total section 32 commodity program outlays for 1958 will probably not be much less than for 1957. Dairy products will account for most of the expenditures in 1958. In 1957 expenditures were distributed over a wide range of commodities.

School lunch programs and other eligible outlets are generally being provided with requested commodities available from CCC inventories. School lunch programs are given first priority on available surpluses.

THE SOIL BANK

We have recommended that the conservation reserve program of the Soil Bank should be strengthened, and the acreage reserve program terminated after the 1958 crop. This was one of the major recommendations in the President's special message of January 16.

The conservation reserve shows promise in four important areas: (1) Retiring marginal acres from crop production. (2) Aiding soil, water, forest and wildlife conservation. (3) Retiring whole farms from production when the operators choose to do so. (4) Aiding farm family adjustments, such as might stem from impaired health, old age, or more off-farm employment. During the first 2 years of the conservation reserve, about 14 percent of participating farmers placed all their eligible land in the program. Thus they took out of production their best acres as well as their marginal land. This is an effective way to cut production.

The acreage reserve was hampered in 1956 by late enactment and by the inclusion of measures intended more for relief than for production adjustment. The 1957 program succeeded in reducing wheat production by about 175 million bushels below what it would otherwise have been. Cotton production was similarly reduced by about 2 million bales, and corn by about 225 million bushels.

However, only 3.9 million acres of winter wheat allotment land were placed in the 1958 program as compared with 10.3 million acres in 1957.

In contrast, unfavorable weather last fall at harvest time apparently caused increased interest in the acreage reserve programs for the spring-planted crops, especially corn and upland cotton. The signup closed February 20 for corn, upland cotton, and spring wheat. Preliminary reports indicate that producers of these three crops, together with winter wheat growers, had offered about 17.8 million acres to the program. To accept all these offers would require about $700 million. These offerings plus those of tobacco and the additional offering of rice acreage would require about $740 million in payments. However, this total includes corn acreage offered which would require considerably more than $300 million maximum authorized for corn by the Soil Bank Act.

The second supplemental appropriation bill 1958 increases the program level by $250 million.

When it seemed evident that the additional $250 million would be authorized, the Department prepared for the prompt and orderly handling of acreage reserve applications from farmers who were on the registers or waiting lists in the county agricultural stabilization and conservation offices. Thus, county ASC offices were given instructions and information that would enable them to begin accepting additional acreage reserve applications from farmers on the waiting lists upon the President's approval of the supplemental appropriation bill.

Because legislative changes which have been recommended for 1959 provide for elimination of corn acreage allotments and authorization of increasing allotments for other basic crops under certain specified criteria, we recommend termination of the acreage reserve after the 1958 crop year. It is contradictory to provide for an acreage reserve program on the one hand and an expanded acreage allotment on the other.

We should, therefore, shift emphasis with the Soil Bank from the short-time approach of the acreage reserve, aimed at reducing surpluses of the basic crops, to the long-term approach of the conservation reserve, aimed at overall production adjustment.

A conservation reserve program of $450 million was recommended for the 1959 calendar year. An expanded conservation reserve can be an effective instrument of adjustment if it is accompanied by needed changes in price supports. It should not become merely a means of offsetting the production stimulus supplied by price supports held continually at incentive levels.

The Department is continuing its evaluation of the bids submitted by farmers, in a trial or experimental bid program in Illinois, Maine, Nebraska, and Tennessee, to place all eligible land in the conservation reserve program. These findings will be considered in a continuing study of ways to make this program more effective.

The first evaluation of the bids was to determine the relationship between the productivity of the land offered and the rental rates the farmers bid to take all eligible land out of production for 5 to 10 years.

The initial review in Illinois, Nebraska, and Tennessee clearly showed that the great majority of bids were at rates too high in relation to productivity and rental values. The level of bids was such that approximately double the average rate per acre of the regular program would have been necessary to take any appreciable amount of cropland out of production in those three States.

In view of these facts, the Department announced February 7—1 week after the closing date for submission of bids in Illinois, Nebraska, and Tennessee—that all bids received in those States were being rejected. This decision was made as quickly as possible to enable farmers who had submitted bids to plan their 1958 farming operations, and to decide to what extent they wished to participate in either the regular conservation reserve program or the acreage reserve program. In announcing this experimental call for bids the Department made it clear that any or all bids might be rejected.

In Maine, the Department was able to accept one-fourth of the some 1,400 bids made by farmers. The 354 bids accepted added 20,273 cropland acres to the conservation reserve program of that State.

These acceptances in Maine were based on a State average rate of $11.57 per acre. Under the regular conservation reserve program in Maine, the State average rate is $9 per acre.

Of the land covered by bids accepted, about one-half is in the better cropland area in Maine, a State which has no acreage reserve program.

The regular conservation reserve program remains available to all farmers in all States. The deadline for signing contracts effective in 1958 is April 15.

Interest in the conservation reserve is increasing in many States. Preliminary reports as of March 14 show increased participation in some States in all sections of the country. New York and Georgia farmers on March 14 had offered about 70 percent more land to the conservation reserve than they had at the same time in 1957. Kansas and Oregon farmers at mid-March this year had offered more than twice as many acres to the program. Minnesota, one of the States where participation was heavy last year, was offering about 42 percent more acres to the program this year.

However, in some of the other States with large acreages going into the program in 1957, this year's participation on March 14 was somewhat less than at the same time a year ago.

The latest total of reports from all States indicates that the 1958 signup had reached about 3 million acres on March 14. This is in addition to the 6.4 million acres placed in the conservation reserve in 1956 and 1957.

THE RURAL-DEVELOPMENT PROGRAM

Some 44 percent of our farms can probably be considered as efficient commercial units. They produce 90.8 percent of all farm products that go to market. The remaining 56 percent of our farms do not have the same problems as these efficient commercial farmers. They produce only 9.2 percent of marketed farm products. An effective farm program must recognize the basic differences in these two agricultural groups and plan to meet the needs of both.

No recent development in the Nation's agricultural policy holds greater long-term importance than the present effort of our departments and agencies to so strengthen and

redirect educational and service programs as to provide practical help and guidance for families on small farms. The rural-development program, now going forward in 30 States and Puerto Rico, has a central place in this effort.

During the past 2 years, committees of the Congress have issued 3 major reports calling for private and governmental programs in rural areas which would provide increased educational aid and guidance for low-income farm people, develop more extensive off-farm job opportunities, and increase skills through retaining programs.[1]

The reports of these committees are summed up in a statement issued recently by the Joint Congressional Economic Committee. A main line of attack on the farm problem, it is stated, "should consist of programs to develop local nonfarm resources, to improve the education of farm people, to make training in industrial skills available to them, and to overcome obstacles faced by people who wish to make the transition from farm to nonfarm work."

The rural-development program is putting into action many of these Congressional recommendations for improving living conditions on small farms in underdeveloped rural areas. In close cooperation with State, farm, educational, employment and other agencies, we are continuing to expand and perfect this practical, long-range approach to the farm problem in these areas of the Nation.

I want to emphasize that the rural-development program is not separate from our regular activities for improving living standards in underdeveloped rural areas. Nor is it limited in scope and objectives to specific areas. This program is one method, among many, of supplementing and redirecting the work of governmental agencies in order to gain more effectively the fundamental objective—area economic development.

THE 1959 BUDGET

Since this committee has been discussing in detail the budget for the fiscal year 1959, there is no need for me to go into our estimates at any great length. There are, however, 2 or 3 items which I would like to mention.

The first of these is our proposed program for utilization research. As you know, the special Commission appointed by the President to study the need for utilization research has reported to the Congress that the utilization research program should be very substantially increased. We in the Department have given careful consideration to this report in the development of our recommendations for 1959.

There is urgent need for research which will increase the total market demand for farm commodities by providing new uses and new markets for surplus agricultural products. It is equally important, however, that the development of this program be kept in balance with other types of research as well as other program needs. It is also necessary, if we are to budget realistically, to take into account the manpower available for research and how the available manpower can best be allocated to meet the most imperative needs for all types of research. Taking all these factors into account, we have recommended a program which we believe will provide the greatest practicable impetus to utilization research in 1959. In addition to a $5 million increase in appropriations to the Department, we estimate that approximately $5 million in foreign currencies will be available for contract research with foreign laboratories to develop new uses and greater acceptability for American farm products abroad. A keen interest is developing in this phase of our utilization research program which, as you were earlier advised, we have initiated this year. I feel that it has great potential for increasing our foreign market for surplus commodities.

In general the 1959 budget proposes that our programs be continued at the 1958 level. There are a few exceptions to this which it might be well for me to mention.

An increase of over $5 million is proposed to provide for the mandatory inspection of poultry as required by the law enacted by the last session of the Congress.

With respect to Rural Electrification Administration loans, legislation has been proposed which would make it possible for the borrowers to obtain credit from private sources as well as directly from the Federal Government. The 1959 estimates have been submitted on the basis that such legislation will be approved. We believe it is essential that the credit base for the rural electric and telephone systems be broadened to provide for their continued growth and adequate service to consumers. It is estimated that capital funds needed to finance the growing demand for electric power in rural areas during the next generation will far exceed the $3½ billion loaned by the Federal Government to REA borrowers during their first 22 years of operation. The magnitude of these requirements and the urgency of meeting national security and defense needs make it imperative, we believe, to find an adequate source of funds for REA loans other than the Federal Treasury. The objective of bringing central station electric services to rural areas envisaged when the law was passed 22 years ago has been 95 percent realized. Furthermore, the characteristics of rural areas have changed substantially through the development of industries, commerce, and other nonfarm activities. Among new users of power from REA-financed electric systems nonfarm users now outnumber farm users nearly 3 to 1. The proposal in the 1959 budget, and the proposed legislation on which it is based, provide the mechanism for meeting realistically the very substantially increasing needs of REA borrowers. At the same time, by providing for direct Federal loans for both electric and telephone borrowers, it would continue the Government's interest in fostering the further development of these systems.

We are recommending that the advance authorization for the 1959 agricultural conservation program be reduced to $125 million. We believe that by careful administration the lower authorization will be sufficient to give attention to the more essential needs for conserving agricultural resources. It is contemplated that the Department's total conservation effort will continue to be maintained at a substantial level.

Two 1959 budget amendments, recently submitted to the Congress by the President, propose an additional $10 million for watershed protection and $4,780,000 for flood prevention. These increases provide for accelerating works of improvement in the small watersheds and on the 11 flood prevention projects. This would increase construction work which is done by local workers and contractors.

One additional matter I should like to mention is our belief that it is important to take such steps as we can to get the Commodity Credit Corporation out of operations which are purely banking in nature and have no relationship to CCC programs. As a step in this direction, we are proposing, as you know, a direct appropriation to the Agricultural Research Service for the expanded brucellosis eradication program. We hope the committee will see fit to approve this proposal.

LEGISLATIVE PROGRAM

We have been talking about recommended programs and program changes as they show up in the 1959 budget. In the stress of dealing with current problems—problems of the present moment—it is easy to forget the progress of even the immediate past. We have, therefore, included in an appendix some of the highlights of accomplishment in recent years.

I should like to take a few moments now to refer to some of the other legislative proposals in the message which President Eisenhower sent to the Congress during January. The particular recommendations I have in mind are these:

Authority to increase allotments of the basic crops.

Elimination of corn allotments.

Elimination of the escalator clauses.

Widening of the range of price supports.

Extension of Public Law 480.

Authority to increase acreage allotments for cotton, wheat, rice, peanuts, and tobacco should be provided.

Under present legislation, acreage allotments and price supports for the basic crops are determined by statistical formulas. Under these formulas, the permitted acreages are sharply restrictive. Allotments for certain crops may have to be reduced even further under present law, despite growing evidence that acreage restrictions have not brought about needed adjustments.

Farmers need more freedom to plant. Authority should be provided for the Secretary of Agriculture to increase acreage allotments by up to 50 percent above the levels determined by existing formulas, in accordance with certain criteria.

The law already specifies that the Secretary may provide price support at levels above those determined by formula, and this authority has been used. The law should also provide authority to increase acreage allotments when the mechanistic statistical formula yields results clearly contrary to the general interest. Authority of the type requested is being used in the case of tobacco.

However, any acreage increases must be related to price adjustments designed to permit the growth of markets needed to absorb the higher production.

Agriculture cannot properly use its resources while it is hampered by controls that cannot adequately control.

Acreage allotments for corn should be eliminated.

It is proposed that acreage allotments for corn be eliminated beginning with the 1959 crop. Acreage allotments have not been effective in reducing corn acreage and production. As a result, the carryover of corn as of October 1, 1957, was at a record high, in excess of 1⅓ billion bushels.

During the last 20 years the commercial corn area spread from 566 counties in 12 States to 932 counties in 26 States. The legal requirements have forced a steady expansion in the extent of controls to which farmers are being subjected.

Farmers have voted to eliminate corn acreage allotments both with their corn planters and in the referendum held in December 1956. In this referendum over 61 percent of the corn farmers voting indicated their preference for a program of the type recommended. Only 14 percent of the 1957 production in the commercial corn area was eligible for price support because relatively few farmers complied with allotments.

Removing corn allotments will be a forward step in the direction of more freedom for farmers. Price supports would be provided at a level between 60 and 90 percent of parity for corn using the eight guidelines now provided in the Agricultural Act of 1949 for the nonmandatory nonbasic commodities.

The escalator clauses in the basic law should be abolished.

[1] A Program for the Low-Income Population at Substandard Levels of Living, report of the Joint Committee on the Economic Report, January 1956. The Family Farm, report of the Committee on Agriculture, House of Representatives, August 1, 1956. Policy for Commercial Agriculture, report of the Joint Economic Committee, February 10, 1958.

This is essential. This law requires that price supports be raised as the surplus is reduced. This means that incentives are provided to build new surpluses as soon as present surpluses start to decrease. This keeps farm people continually under the shadow of price-depressing surpluses.

Since our surplus disposal and Soil Bank programs have been effective in reducing surpluses, these escalator requirements are already operating in the direction of building more surpluses. Elimination of these escalator clauses is necessary if these programs are to achieve their purpose.

The overall range within which price supports may be provided should be substantially widened.

Presently, price supports must be provided for most types of tobacco at 90 percent of parity and for cotton, wheat, corn, rice, peanuts, and dairy products between 75 and 90 percent of parity. This range is too narrow to permit the expansion of markets needed to absorb the increased production which our farms will likely produce.

Rather than determining price supports for the basic commodities by formula between 75 and 90 percent of parity, price supports should be determined administratively in a wider range—from 60 to 90 percent of parity. This range should also apply to dairy products.

The criterion for determining the specific support level for dairy products could well continue as at present, namely, a level which will assure an adequate supply. The criteria for determining the specific support levels for the six basic crops should be the same eight guidelines as now apply to almost all other farm products, some 250 in total.

The Agricultural Trade Development and Assistance Act should be extended.

Public Law 480, the Agricultural Trade Development and Assistance Act, should be extended for another year to June 30, 1959, with an additional authorization of $1.5 billion for title I sales for foreign currencies. The Senate has passed a bill extending Public Law 480 for 2 years at the rate of $1.5 billion for each year for title I.

Public Law 480 exports have made a major contribution in the attainment of an all-time high in total United States agricultural exports of $4.7 billion in 1956–57. In that fiscal year they accounted for these parts of total exports—wheat, three-fifths; rice, four-fifths; vegetable oils, about one-half; cotton, about one-third; corn, two-fifths.

In proposing the increased authorization we are asking primarily for the opportunity to use commodities already paid for under the price support program, or which otherwise would be acquired under such operations.

This act should not be considered a permanent part of the farm program. Therefore, we have limited our extension request to 1 year. This will facilitate the periodic review by Congress of program results in the light of our agricultural situation, and in terms of needs abroad.

A LOOK AHEAD

Agricultural abundance is one of the cornerstones of our economy. But farmers and the entire citizenry need assurance that our farm programs will allow abundance to be put to good use.

In these days of cold war we cannot afford to waste land, manpower, machinery, gasoline, tires, and electricity in producing foods and fiber for storage far in excess of sensible reserves. The effects spread to other segments of the economy. For example, our surpluses forced us to build bins far beyond normal needs—a waste of labor, an uneconomic use of steel and other materials. It is sheer economic waste to produce through Government incentive products that are not needed.

No one wants less effective programs for farmers. On the contrary, we must replace policies and programs which have failed with measures which will assure the American farmer his rightful share in the abundance of our free economy.

There is reason for great optimism about the future of agriculture—provided we cling fast to the methods and ideals which have made this Nation great.

There are many basic reasons why our agricultural future should be bright.

First, we face an expanding domestic and foreign market. In 1940 our population numbered about 132 million. Today we are 173 million and by 1975 the Nation may have well over 200 million. Moreover, our people are interested in better diets—and this presents a challenge for sound food promotion.

World population, too, has been increasing. Many areas will continue to look to surplus producing land, such as the United States, for food. There is real hope, therefore, for an expanding export market for our farm products.

Second, there is hope that future Government programs will be geared to more realistic production—that we shall not continue to freeze production in uneconomic patterns—that our programs will provide proper incentives for agriculture to adjust output of specific commodities according to demand.

Third, the efficiency of agricultural production will rise—and as efficiency rises, costs can come down. We must continue to expand programs of agricultural research and education.

Fourth, farm people will benefit by improvements in marketing. In the past, most of the effort in agricultural research and education has been directed toward improving methods of production. Thus, productive efficiency has bounded ahead, but progress in marketing methods has lagged. The remedy for this lack of balance is to give more emphasis to marketing and utilization research as we are now doing.

Finally, a sound economy will create an economic climate in which farm prosperity can flower and grow. And, conversely, a strong productive agriculture will be one of the pillars of a flourishing national prosperity.

This I know. Great opportunities confront our farm families—great opportunities accompanied by great responsibilities. Our Nation of the future will be as strong as our agriculture.

Once again may I say that I appreciate the opportunity to appear before this committee. The Department stands ready to help you in every possible way.

APPENDIX A

NUMBER OF FARM PEOPLE ASSISTED IN THE RURAL DEVELOPMENT PROGRAM

EXPANSION OF JOB OPPORTUNITIES

Employment opportunities in counties participating in the rural development program are being expanded through three principal methods:

(1) Assistance in establishing new manufacturing or marketing facilities or expanding existing facilities.

(2) Training programs to improve the skills of rural people or provide new skills.

(3) Employment interviewing and guidance.

Participants in the rural development program have played a direct part in projects to increase local job opportunities.

They have helped in assembling manpower and other resource information for use by prospective manufacturers, interviewing job applicants, promoting the countywide program, and encouraging increased farm production where it is needed to supply new processing facilities.

Whenever capital funds are required for purchase of sites, construction, or other purposes, funds are raised locally by such methods as subscription or sale of stock initiated by community leadership.

Some typical job expansion projects in pilot counties assisted by rural development are:

Chilton County, Ala., 25 new jobs, timber cutting and handling.

Perry County, Ind., 50 jobs, small boat manufacturing.

Watauga County, N. C., 100 jobs, garment manufacturing.

Macon County, Tenn., 475 jobs, garment manufacturing.

Choctaw County, Okla., 30 jobs, woodworking and grain cooperatives.

Camp-Franklin-Titus County area, Texas, 130 jobs, poultry processing.

Price County, Wis., 54 jobs, woodworking, charcoal manufacturing, and sport-fishing equipment. (Most of this is employment in a factory schedule to begin operation in the summer of 1958.)

Chesterfield County, S. C., 58 jobs, poultry farm work.

Berkeley County, S. C., 70 jobs, general farm work.

Tippah County, Miss., clothing plant expanding production, adding 150 jobs.

Training programs to improve the skills of rural people have also been started in several States, as a direct result of the rural development program. In Kentucky, for example, about 500 people in eastern and south central counties have received training in such skills as welding, plumbing, and office practices.

On-the-farm interviews and surveys will provide employment offices and prospective employers with information needed for industrial and employment expansion. The Arkansas Department of Labor, as a result of rural development, cooperated in making labor surveys on 1,000 farms in three demonstration countries. Other States, including Texas, Oklahoma, South Carolina, Georgia, Kentucky, West Virginia, Virginia, North Carolina, Maine, and Indiana, have made similar surveys as initial projects in demonstration counties. These efforts are pointed toward reaching permanent solutions to the problem of rural underemployment.

WORK WITH FAMILIES ON SMALL FARMS

Through intensive on-the-farm counseling, advice on soil, woodland and water conservation and management, introduction of new crops, help in evaluating farmers' resources and potential, many families on small farms in pilot areas are being assisted in building more efficient units.

According to reports we have received from workers in a representative group of 27 pilot counties in 16 States, about 4,500 families on small farms have received such help. These are the families benefiting most from the introduction of a rural development program in their areas. The assistance that is provided includes expanded farm and home development resulting from the assignment of special workers to the program. It also includes special projects, such as pepper growing in an isolated Tennessee community, the first commercial farm product to be grown there; combined strawberry production and marketing in several counties; greatly expanded sheep raising in West Virginia communities; poultry and dairy improvement and expansion in many pilot counties in the southeast.

HEALTH AND FAMILY WELFARE

Many rural families have also received, directly or indirectly, the benefit of better health promotion resulting from the work of agency personnel and local leaders participating in the rural development program.

Here are some examples: In Covington County, Miss., a Negro community of 40

families, with guidance from the development group, organized a home life committee to encourage members to improve sanitation. Immunization programs have been started, wells tested and other sanitary measures taken in Bertie County, N. C. One hundred families in a Texas county improved their homes and farms through a cooperative community campaign. Fifty percent more children in Hardin County, Tenn., are receiving preschool health examinations as a result of community efforts. In three States (Georgia, Tennessee, Kentucky) and 6 pilot counties, rural development promotion helped raise matching funds to build hospitals serving families in these areas.

FINANCIAL RESULTS OF RURAL AREA DEVELOPMENT

The rural development program is a long-range effort meeting difficult, deep-seated problems. It is too early to put results in terms of dollars and cents. However, we can use as a yardstick the locally initiated programs of area development which have remade many underdeveloped rural areas during the past decade. One of these, in the area of Asheville, N. C., has this record to its credit:

Estimated gross farm income for the area increased from $63 million in 1950 to $90 million in 1956.

Since this program was started, the number of Grade A dairy farms on the Asheville milkshed has increased from 312 to 555, with over 700 in the area. Milk sales by these dairymen have risen $3 million during this period. The area has changed from a milk importing to a milk exporting region.

From 1950 to 1956, sales of poultry and poultry products by farmers climbed from $4,500,000 to $17,206,500.

Production of commercial broiler chickens jumped from 500,000 in 1950 to 10,500,000 in 1956.

Hatching egg production has gone from a "pin money" proposition to an industry which paid growers $9,775,000 in 1956.

There has been increased recognition by town and city people of the importance of a healthy rural economy. Most important, development of the area has progressed at an accelerated pace, bringing greater economic opportunities and more social stability.

REGIONAL CONFERENCES

Recently we completed a series of regional conferences for agency workers and rural leaders in 13 States with the objective of improving our programs, especially in the field of industry development, employment, education, welfare, and on-the-farm counseling. These meetings took place at Lexington, Ky.; Shreveport, La.; Fort Smith, Ark.; Athens, Ga.; and Asheville, N. C.

As a further important step in the continuing effort to mobilize the skills and resources of private organizations, which have a central place in the rural development program, we are inviting leaders of national farm, business, civic, youth and other organizations to meet in Memphis, Tenn., June 16 and 17 to review progress in the program and the contribution of their membership. Their suggestions for future progress will be obtained. One of the committee reports I cited in the body of my testimony points out, "Democracy finds its meaning in the community. Programs for economic improvement can be put into effect far more quickly and beneficially in organized rural communities."

We certainly agree with that. One of the principal aims of the rural development program is to encourage farm, business, civic, educational, and church leaders in many different areas to undertake locally-directed area economic improvement.

APPENDIX B

SOME HIGHLIGHTS OF ACCOMPLISHMENT IN RECENT YEARS

THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT

This act, passed by the Congress in 1954, has proved to be one of the most useful and far-reaching farm measures in many years. Under it, by the end of the fiscal year we will have moved about $4 billion worth of commodities into consumption around the world. A further extension and expansion of the act is now being requested for fiscal year 1959.

STRENGTHENED RESEARCH AND EDUCATION

Since fiscal year 1953 appropriations for agricultural research have increased by 95 percent. Currently, about 12 percent of all money spent directly for research by the United States Department of Agriculture is going into marketing research.

In recent years utilization research has demonstrated that some lost markets for farm crops can be regained and new markets can be developed. Cotton and wool fabrics can be endowed with wash-and-wear qualities. Cotton can be made to resist weather and rot. Fat can be transformed into practical plasticizer-stabilizers, into new and better surface coatings, even into improved detergents. Fermentation can convert grain to new and more efficient feeds and supplements, to organic acids and other raw materials for the chemical industries. Starches can be used in paper and textile making and they can be converted to plastics, films, and other materials. These are but a few of the practical accomplishments of past and going utilization research.

New animal disease research laboratories have been established at Plum Island, N. Y., and authorized at Ames, Iowa. In 1954, as you recall, there was initiated a stepped-up cooperative program to eradicate brucellosis from the Nation's dairy and beef cattle herds. Ten States and Puerto Rico are now certified as being modified free of this disease. The number of counties now certified totals 980 in 41 States, or about 31 percent of all counties. The goal of the 1958 eradication program is to bring 51 percent of all counties to a modified certified brucellosis free status.

Since fiscal 1953 appropriations for cooperative extension work have been increased by about 80 percent. One result of this has been that for every 3 families aided by extension in 1953, 4 or more families are being helped now, with the aid of 1¼ million volunteer local leaders.

REORGANIZATION OF THE DEPARTMENT OF AGRICULTURE

Better administration of the Department's activities has been achieved through the reorganization effected in 1953. Twenty operating agencies and staff offices were grouped on a functional basis and brought under the administrative direction of five Department officials.

In addition, seven research bureaus were integrated in the Agricultural Research Service. The Agricultural Marketing Service was also established to give greater emphasis to problems of marketing and distribution of farm commodities.

The result has been a streamlining of internal organization, more decentralization to State and local levels, and new vitality in the services we render to the agriculture and to the public generally.

THE NATIONAL AGRICULTURAL ADVISORY COMMISSION

This bipartisan farm commission, established in 1953, consists of 18 persons, of whom no more than 9 belong to any one political party. At least 12 of the members must be representative farmers from the various geographic sections of the country. The Department has worked very closely with the NAAC in reviewing national agricultural policies and in developing and administering the farm programs.

AGRICULTURAL ATTACHÉS UNDER DIRECT SUPERVISION OF DEPARTMENT OF AGRICULTURE

The return of the agricultural attaché system to the Department of Agriculture has helped strengthen our national efforts to expand foreign markets for United States agricultural products. Attachés are stationed in 51 foreign posts covering about 100 countries. They do worldwide reporting on the foreign agricultural situation and trade opportunities abroad. Their work has been a factor in the virtual doubling of the volume of agricultural exports during the 1953–1957 period. Primary emphasis is on strengthening commercial exports for dollars.

IMPROVEMENTS IN AGRICULTURAL CREDIT

In 1954 the Farm Credit Administration was made an independent agency—a move long urged by farmers and farm organizations. This represented a major step toward giving farmers greater control over the credit organizations which they largely own. Various amendments to the Farm Tenant Act have enabled the Farmers Home Administration to make additional types of loans including: Credit assistance for part-time farmers; loans for refinancing existing debts; farm housing loans; special livestock loans for cattlemen; soil and water conservation loans; emergency loans to help farmers continue operations in hardship areas designated by the Secretary of Agriculture; and improvements in the insured loan program.

CONSERVATION

More soil conservation has been applied in the past 5 years than in any other similar period of our history.

The Watershed Protection and Flood Prevention Act of 1954 enabled the Department to help local people in small watersheds to build small dams and other flood prevention structures, as well as to do more effective conservation planning. The Soil Conservation Service has received more than 800 applications for such projects of which 71 are now in operation.

The program development phase of a Great Plains conservation program has been completed and is now in operation. It will help farmers and ranchers in the Great Plains install conservation measures and make the land use adjustments that are needed to achieve a more stable agriculture in that highly important region. In adjusting its programs to the needs of the Great Plains the Department has doubled the speed of soil mapping in the critical counties.

Legislation has been enacted permitting farmers to deduct certain soil conservation expenditures in computing their income taxes.

FORESTRY

Significant progress has also been made in the protection and management of our national forests. Not only has the volume and value of national forest timber cut reached new peaks year after year, but we have forged ahead in forestry conservation planning by public and private interests. Despite greater use of forest lands than ever before, the number of forest fires was at an all-time low in 1956 and 1957. A good start has been made on Operation Outdoors, a plan for development of recreational facilities in our national forests.

DISASTER RELIEF

Drought and other natural disasters have been a persistent problem in much of the Nation in recent years. Farmers and ranchers have been assisted with emergency credit, cost share help in conservation work, and in obtaining feed grains and roughage

at reduced cost. Since July 1953, over $600 million has been extended through the Department in various kinds of special drought and disaster aid.

OTHER HIGHLIGHTS

Farm people and commercial warehousemen have been helped in undertaking the biggest expansion of on-farm and commercial-type storage in the history of our country.

Social-security protection has been extended tc farm families and farmworkers.

Special programs for the distribution of milk to schoolchildren, institutions, and the Armed Forces have been established.

Legislation has been enacted providing for refund of the Federal tax on farm-used gasoline.

This is a list of achievements in which I think the members of this commitee and all of us can take a great deal of justifiable pride.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 75) relative to the reenrollment of S. 2120, to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 3262) to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, and for other purposes, and it was signed by the President pro tempore.

CESSATION OF FURTHER TESTING OF NUCLEAR BOMBS

Mr. MORSE. Mr. President, on July 31, 1957, I submitted Senate Resolution 173.

I ask unanimous consent that the resolution be printed at this point in the RECORD as a part of my remarks.

There being no objection, the resolution (S. Res. 173) was ordered to be printed in the RECORD, as follows:

Whereas Great Britain, the United States, and Russia have been engaging in extensive tests of nuclear weapons and presumably plan to continue such tests in the future; and

Whereas it is not alone the death and destruction which the bombs themselves can wreak, but also, and perhaps more important, the devastating effects upon our own and future generations of the radioactive fallout which is the aftermath of such explosions; and

Whereas our eyes have been opened to the dangers from strontium 90, and from the presence to a lesser or greater degree of radioactive particles in the water and air around us, by scientists throughout the world and by such prominent individuals as Dr. Albert Schweitzer, Pope Pius XII, Adlai Stevenson, and many others; and

Whereas millions of people in Japan alone have signed petitions against further H-bomb tests, and thousands in our own and other countries are showing increased concern as to the fate of humanity itself in a world made unfit to sustain life of any kind; and

Whereas it is recognized that excessive radioactivity not only creates a hazard for all, especially for our children who stand to suffer more directly and acutely from strontium 90 than do we who are responsible, but may even, through genetic mutations and other cumulative effects, gradually and inevitably wipe out the human race: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should undertake by all available means to obtain the prompt and concurrent cessation of further testing of nuclear bombs by the United States, the Soviet Union, and Great Britain until an international committee of recognized scientists can at least determine the extent of the danger from radioactive fallout.

Mr. MORSE. Senate Resolution 173 called upon the President of the United States—

To undertake by all available means to obtain the prompt and concurrent cessation of further testing of nuclear bombs by the United States, the Soviet Union, and Great Britain, until an international committee of recognized scientists can at least determine the extent of the danger from radioactive fallout.

At that time, I said:

The verdict of history will be against us if we continue such testing, and I believe our generation will go down in history as an immoral generation if we continue the testing.

No action was taken on that resolution, I regret to say. Nor did the President seek to take the leadership in the matter on his own initiative.

Now we are faced with the prospect of continuing nuclear tests alone, in defiance of world opinion. Reports from Russia indicate that the Soviet Union will suspend nuclear bomb testing. American tests in the Pacific are scheduled for mid-April.

I think this is another sad example of the failure of our national leadership to understand and to take into account the views of the millions and millions of people in the world who simply dread all nuclear explosions, for whatever purpose.

That there is some foundation for this dread is borne out by the views of many top-notch scientists that radioactivity in the atmosphere is a threat to the normality of future generations.

Secondly, the whole world knows that tests and practice "shots" of all nuclear weapons are for the purpose of perfecting them for use in time of war. No one keeps a rifle cleaned and oiled at all times unless he expects that it is likely to be used.

The recent Russian tests are just as much in anticipation of use as our own, and I do not think anyone is fooled by a "suspension" announced when its own series has only just been concluded.

Yet, it is the United States that stands naked before world opinion because we chose to ignore the feeling among the masses on this earth that nuclear explosions are a threat to the present and future of mankind.

The feelings of the people of the earth are pretty strong. In December I sat at the interparliamentary conference at New Delhi, India. At that conference we and the British were just about alone in our position on nuclear testing. There is no doubt that the delegations from Asia and Africa, by and large, were soundly against us, and they did not hesitate to tell us so. They did not hesitate, either in their speeches in the conference or in the cloakrooms to say that they feared us as much as they feared Russia so far as the threat of war was concerned. One of the things they kept citing was the failure on the part of our Government to take the initiative in trying to bring about a cessation of nuclear testing.

Then I went to Madras, India. I had two conferences with a man known, I am sure, by the acting minority leader in the Senate this afternoon [Mr. COOPER] as one of the great minds of India, one of the great philosophers of India, one of the men of greatest influence in all of India, Rajagopalachari, whose voice is listened to throughout India, who is recognized as a successor of Gandhi so far as being a great Indian philosopher is concerned, and whose articles on nuclear testing have appeared from time to time in the New York Times.

The point of view of Rajagopalachari illustrates the common point of view of the members of the Commonwealth Parliamentary Conference I attended in December. They simply cannot understand why this great Nation which prates so much about its morality, which professes to entertain such peaceful intentions, should continue nuclear testing, about which there is great controversy among scientists, and concerning which the preponderance of evidence apparently is on the side of those scientists who say that the nuclear testing is threatening the health of mankind.

We should listen, Mr. President, to some of the delegates from Asia and from the Pacific area. I am certainly not an expert witness on the subject, but my study and reading have satisfied me that we have not successfully answered scientifically, when they make the charge and criticism against the United States that our nuclear testing in the Pacific involves a greater risk and danger to the health of orientals than to the health of the people of the United States.

The delegates pointed out that for these tests we picked spots in the Pacific from which under certain wind conditions the health of the people in Asia was subjected to a greater risk than was the health of the people of the United States. We had better find out what the facts are, and we had better present a successful rebuttal to such charges against the United States of America because those nuclear testings are militating against us in world opinion today.

We have been following a "do nothing" course of action, so far as exercise of leadership is concerned. A resolution was submitted by me in the Senate many months ago with relation to this problem, yet a record is not being made by a Senate committee. The appropriate committee is not holding hearings on the resolution.

Mr. President, what are we going to say with regard to our motives and our intentions when we make a record so sorry as the one we have written?

I am not impressed by the military arguments that have been advanced as necessitating continued tests. We are presenting an unconscionable affront to the welfare of millions of human beings by ignoring their appeals and, by implication, their interests. Putting ourselves in that position will, I fear, cost us far more than a suspension of tests would have cost us militarily.

We are, as a result of our position, back in the state we were in when the Soviet Union captured the attention and imagination of the world by launching the first world satellite. The administration's excuse for that psychological defeat was to the effect that this country could have done the same thing months before had we wanted to, but that the administration did not anticipate that it would cause such a stir.

Nuclear bomb tests have been causing a stir among the masses of Asia, Africa, and even in Europe for years.

We have flouted the world opinion. We gave the Soviet Union the opportunity to snatch leadership when we should have offered it ourselves. We gave it a chance to claim an aura of humanitarianism and respectability it does not in fact deserve.

I think we can no longer look to the administration to exercise its constitutional function in this respect. I hope the Congress, and the Senate Foreign Relations Committee and our Disarmament Subcommittee in particular, will act to demonstrate that the United States of America does not, alone of the two major powers in the world, rest its trust in the future upon thermonuclear explosions.

This is an opportunity, Mr. President, for us to put into practice the great moral principles for which we truly stand.

I know there ought also to be a cessation of the production of nuclear weapons. I so stated in India in my discussions at the parliamentary conference. I so stated in my conference with Rajagopalachari. But, Mr. President, we have to take these things a step at a time. I do not think we would run a great risk by stopping testing first and then seeking, as I said in India, to get the free nations of the world behind us in urging upon Russia that she, too, stop production of such weapons.

I think we have lost the offensive. I think Russia has thrust us back on the defensive in this field, but it is not too late for us to recoup at least what we can.

In my opinion at the earliest possible moment the leadership of this country ought to make clear to the world that we are going to engage, at least for a period of time, in no testing, during which period we hope we can get all the nations of the world, including our British and our French friends and allies, to follow the same moral course of action.

I close my remarks on this particular subject, before I turn to some brief remarks on social-security legislation, Mr. President, with a word to our British and French allies. They, too, had better stand up and be counted on the moral side of this issue, because it is a highly moral question. In my judgment, civilized nations cannot continue to follow a course of action in regard to thermonuclear weapons which endangers the health of mankind. So long as a substantial body of scientists say there is such danger, I hope I am going to be a good enough lawyer to follow the experts.

Mr. President, undoubtedly there is a division of opinion among the scientists, but those who are giving us the warnings are unquestionably very reputable scientists. I think they have come forward already with a body of prima facie evidence which warrants the free nations of the world, including the British and French, getting on the side of international morality, rather than following a course of action which I fear will lead only to endangering the peace.

Mr. MORSE subsequently said: Mr. President, I should like to have the very brief statement I now make on nuclear testing added to my remarks at the close of my previous statement a few minutes ago.

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

Mr. MORSE. Mr. President, in the 1956 campaign for reelection to the Senate, my advocacy of the cessation of nuclear testing was one of the major planks of my platform. In fact, I closed my campaign on the Saturday night before election at Sheridan, Oreg., with a major foreign policy speech, in which I devoted a large part of the time to stating my reasons for advocating the cessation of the testing of the hydrogen bomb and other nuclear weapons. That was in the closing days of the campaign, when there were those running for office in 1956 who thought we ought to hush-hush any discussion of foreign policy at that stage of the campaign, because of the trouble which had developed in the Middle East.

However, I felt that for me to do so in the closing days of a campaign would have been a form of political cowardice, because there was every bit as much reason, in the closing days of the campaign, to stand for the cessation of the testing of the hydrogen bomb and other nuclear weapons, as there was at the beginning of the campaign.

In my judgment, the timetable has proved me right ever since. Had we taken the course of action suggested at that time, we would not tonight find ourselves in a position in which Russia has obtained another great psychological advantage over us.

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

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

Mr. PROXMIRE. First, I should like to commend the Senator for a characteristically courageous address. I know he is stating a position he has taken for a long time. The Senator from Oregon is one of the outstanding statesmen of America. He is a man to whom I always look for a courageous position on the very, very troublesome problems of foreign affairs.

With the Senator's concurrence, I should like to take advantage of the opportunity while I have the floor to make a brief remark about a speech made earlier today by the Senator from Minnesota [Mr. HUMPHREY]. I know the Senator from Oregon has been an outstanding champion of conservation, and I should like to make a few remarks with reference to the speech of the Senator from Minnesota, which will only take a minute.

Mr. MORSE. I shall be happy to yield for that purpose, but I should like to have the consent of my friend, the Senator from Kentucky [Mr. COOPER], because the Senator from Kentucky has been waiting to make a speech. I do not want to seem to be guilty of any lack of consideration of the Senator from Kentucky.

The Senator from Wisconsin states he desires to take about 1 minute. Does the Senator from Kentucky object to my yielding for that purpose?

Mr. COOPER. I am perfectly willing to have the Senator yield for that purpose.

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

Mr. PROXMIRE. Mr. President, I am very happy and proud to state that the Senator from Oregon recently returned from a speaking engagement in Wisconsin, and I have already received glowing accounts of the splendid impression he made.

I should like to say the speech the Senator from Minnesota [Mr. HUMPHREY] made this afternoon is an historic and extremely important speech. I am delighted the Senator has come forth with his recommendations as to conservation. I should like to make simply one point in connection with the matter, which is that such a conservation program is indeed an investment. It is not an expenditure of money in the usual sense. It is not a cost. It is an investment which will bring returns at least tenfold. Indeed, it will be wasteful, if the Congress fails to make this investment. The loss of our real wealth—our natural resources—would vastly exceed this cost.

As the resolution states, this is something which will provide a level of resource management and control which can largely eliminate recurring damages and losses, assure adequate recreational facilities for our increasing population, raise the productivity of our forest, soil, watershed, and range resources, and improve the quality of our water supplies to meet the increasing needs of our people.

As the Senator from Minnesota has said so well, this program would cost $1 billion a year. That is a great deal of money; but considering the size and the wealth of this country, and the great importance of its natural resources, I submit that this is a very wise and conservative investment. I support the Senator from Minnesota enthusiastically, and I ask that my name be added as a cosponsor on the resolution and the bill which he has introduced in connection with it.

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

IMPROVEMENTS IN THE SOCIAL SECURITY SYSTEM

Mr. MORSE. Mr. President, last week, in keeping with promises which I made in the 1956 campaign, I introduced certain proposed amendments to social-security legislation.

With the conviction that our social security system is our first line of defense against economic need after retirement age, I introduced on March 18 amendments to the act which, in my opinion, are long overdue.

On that date, I was pressed for time because I had to catch a plane to keep an appointment in Oregon to inspect the Navy installation at Tongue Point and was unable to speak at any length on the contents of my bill, S. 3508. Therefore, I shall discuss it now so that this description may appear in the RECORD for the benefit of those who are interested in social security improvements.

The bizarre economic situation we are in today—a record high in the cost of living coupled with ever-increasing unemployment and distress throughout the country—points up the fact that no change has been made in the amount of social security benefits since 1954.

It is obvious that older Americans, largely people living on fixed incomes, have steadily been victimized by the sharp rise in prices in these 4 years, which now stand at an alltime high.

It has become axiomatic that a growing American economy over the decades will be accompanied by a slowly rising price level. If that is to be an inevitable accompaniment of full employment—and right now we are seeing that it is even accompanying unemployment—society cannot permit those retired from the labor force to pay the price in reduced living standards they are now paying.

This group is the first to be victimized by our present economic condition. Higher costs of food and other necessities have shrunk their benefit dollars, and, as employment opportunities decline, their possibilities of supplementing their meager incomes decrease with every passing day.

Inasmuch as the older worker is often the first to be laid off, many men and women have recently found it necessary to apply for their benefits. Almost half a million more people are relying on their social security benefits as a primary source of income than were doing so 6 months ago.

I am also concerned with the fact that our social security system ignores what has often been called the greatest single unmet need of the aged—medical care. While the cost of living index has gone up generally by 20 percent in the past 10 years, the cost of medical care has gone up by about 40 percent, and hospital costs are up 75 percent.

My bill, S. 3508, would increase social security benefits by 25 percent across the board. It would raise by that percentage the benefits now received by retired persons, survivors, and those receiving disability insurance payments.

It would raise future benefits by that percentage.

The bill would raise the minimum monthly benefit from $30 to $40.

It would increase today's maximum retirement or disability benefit from $108.50 to $135.70 and makes possible an eventual maximum payment of $173.20.

It would also institute new minimums and maximums on benefits paid to a family, so the lowest would be $60 instead of $50, and the highest $323.80 instead of $200. In the future, the maximum family benefit could be as high as $346.20, the traditional figure of twice the highest individual benefit.

During my campaign 2 years ago, I promised the people of Oregon that I would do something about the situation in which so many of our older people find themselves. Last year I met these promises by sponsoring or cosponsoring bills dropping the age requirement for disability, reducing the eligibility age for women to 62 with full benefits.

In that campaign, I also supported the position of Adlai Stevenson that it should be our objective to raise the family income of the aged from about 55 percent of the national average for all families to about 75 percent. At that time this would have required an increase of $800 a family a year—that is, from $2,300 to $3,100 a year. This is only a minimum program for the aged. My new bill would be one important step toward that goal.

The need for a substantial increase in benefits can hardly be questioned by anyone who has talked with people now trying to exist on fixed annuities, and certainly not by anyone who reads the mail coming into Congressional offices. This was brought out vividly by a recent statistical survey in the Christian Science Monitor. It reported on a survey made for urban renewal purposes in a district in downtown Portland in my own State.

It showed that a great number of people in that district were 60 years of age or older and lived in small residential hotels, tumbledown apartments, and converted dwellings.

These elderly people were subsisting on social security or State welfare allotments which have changed little, if at all, in recent years of climbing prices. After payment of rent, it was not at all uncommon for these people on social security to be required to budget their food, transportation, entertainment, clothing, and incidentals, all taken together, at about $1 a day.

Such a budget obviously permits only a bare existence. The simplest fare, a quart of milk, at 23 cents, a pound loaf of bread at 23 cents, and a can of soup at 15 cents, takes a major share of the day's dollar.

Malcolm Bauer, who wrote the story in the Monitor, commented:

> Anyone who entertains the delusion that the march of inflation has not yet brought real personal hardship to many persons should examine the results of this survey. * * * One does not often have opportunity for an intimate view of the financial problems of his neighbor, such as that afforded by the Portland urban renewal survey * * *. The picture of the devastating effect of postwar inflation on the fortunes of the fixed-income oldsters, many of whom had reason to hope for real security in social-security benefits, is a stark one.

Whether the price level continues to rise despite the recession, or levels off because of recession, or even declines somewhat, will not change the present urgent need to boost all social-security benefits at least by the 25 percent provided in my bill, S. 3508.

Our challenge is to distribute abundance rather than to share scarcity. We must find better ways to divide our output of material goods equitably among ourselves. The trend over the decades has been not only toward higher real incomes, but also toward a broader distribution of goods.

However, at present our older people are not getting their fair share of this tremendous output which the Nation is capable of producing. That is because they leave the labor force, thereby getting off the escalator, so to speak, in terms of income, while the price escalator continues to go up.

That is where the obligation of Government comes in. Retired citizens have earned a larger share of the Nation's goods because they played such a vital part in the creation of this great productive capacity. We must see to it that they get it and are not by-passed simply because they have reached retirement age.

One economist has pointed out that a chart showing the distribution of incomes in America looked like a pyramid a few decades ago, with a small number of persons at the top receiving large incomes and a very large number at the low-income base. Today, in contrast, this same chart looks like a barrel, with a great bulge in the middle, where the middle-income people are found, and smaller numbers of people proportionately at the high and low ends of the income scale.

Our older citizens, as a group, are the ones who are scraping the bottom of this economic barrel. As legislators, we have a special obligation to make certain, through our social security system, that older people are given the chance to live out their lives in dignity and are not the forgotten men and women of our times.

My bill not only increases benefits for everyone by 25 percent, but it also takes account of the fact that the heavy costs of an illness may destroy the best-laid plans for a comfortable retirement. Under its provisions, the social security system will pay the costs of care in qualified hospitals and nursing homes in a manner similar to the Blue Cross plans. Surgical care would also be provided and, in all instances, there would be free choice of doctors and patients.

These health benefits would be available to all persons eligible for social security benefits. Thus, the man who has continued to work beyond age 65, and has not applied for benefits, would be eligible if illness strikes. Each person would be insured against the cost of hospital and surgical care, including a semi-private room and all hospital services, medical care, drugs and appliances which the hospital customarily furnishes its bed patients. The bill provides for 60

days of hospital care but, if nursery home care is also indicated, it provides an additional 60 days, or up to 120 days of combined care.

This section of my bill is identical to the health-insurance provisions of H. R. 9467, introduced in the House of Representatives by Representative AIME FORAND, of Rhode Island.

I want to express my personal thanks and appreciation to Mr. FORAND for his leadership on this matter. I am happy to acknowledge that I have simply followed his lead by incorporating into my bill the health-insurance program he had first introduced in H. R. 9467. I hope that, by so doing, I can reenforce the chances that a health-insurance program will soon be adopted.

This new program will undoubtedly be attacked on the ground that it will socialize medical care for our older people and discourage thrift and initiative. But the same charges were made back in 1935 when our social-security system was established. One commentator, at that time, called it a plan which would "kill the goose that lays the golden eggs." From other quarters came dire predictions that it would discourage thrift and initiative and regiment our society. The individual social-security numbers were described as "dog tags."

Today we know that none of these predictions has come true. The effectiveness of this method of social insurance in a country such as ours has been so clearly demonstrated that even the Republican National Committee, in a recent press release, claimed that social security was really their idea. For social security has become so much a part of our way of life that the only points of difference today are as to how realistic benefits should be and how much real protection should be afforded.

I subscribe to the philosophy expressed by Justice Cardozo in the Supreme Court case upholding the constitutionality of the Social Security Act, which states:

> Nor is the concept of the general welfare static. Needs that were narrow or parochial a century ago may be interwoven in our day with the well-being of the Nation. What is critical or urgent changes with the times.

The facts of our time are the urgent advocates of this new program. More than half of the clinical part of medicine is now concerned with the health problems of older persons. A recent nationwide survey of families and individuals conducted by the Health Information Foundation showed that people 65 years of age and over experience medical costs 57 percent greater than those of the general population, and that, although this age group constitutes only 9 percent of the population, they experience 13 percent of all medical costs.

The same study showed that the total annual cost for all private personal health services is $65 a person, but for those 65 years of age and over it is $102 per person.

How do the 14 million people in this country who are past 65 meet this cost of medical service? We know that a single illness can wipe out a lifetime's savings, or place a severe and unpredictable strain upon the sons and daughters of our older people, at a time when their children's own family responsibilities are heaviest.

As a result, part of these older people receive public or charitable care.

But most of them must meet medical expenses out of a small fixed income.

Only one-third—and I stress this point because it is why I included health insurance in the bill—only one-third of these 14 million people over 65 are covered by any kind of health insurance. Group health coverage tends to cease when employment is terminated by retirement.

And since the number of days of hospital care per person age 65 and over is almost double that for younger adults, Blue Cross plans vary in the extent to which they attempt to confine these added costs to groups containing a high proportion of older persons, or pass them along to the entire membership of the plans.

According to a recent survey of Blue Cross provisions for persons 65 and over, 56 plans increased premium charges for the same benefits when a member reached 65, in amounts varying from less than $3 to more than $15 for a family. Twenty-three plans reduced benefits below those available to group members when the member reached age 65.

Thus, the trend in private insurance coverage is to increase costs or reduce services at the very time when purchasing power has sharply declined but the need for medical care has increased.

Dr. Wilma Donohue, of the Division of Gerontology of the Institute for Human Adjustment of the University of Michigan, says that many old people simply ignore or neglect chronic illness—thus increasing costs—while others obtain medical care by sacrificing other essentials of healthful living. She believes that the mounting number of admissions of older patients to mental hospitals is one evidence of the effects of worry and lack of preventive and restorative medical care of this group.

Many of our older people are beset by fears of becoming ill and not being able to pay for medical care. Under my proposal, the American people would be buying health insurance when they can pay for it during their working life, and its protection would be effective at retirement age when they need it most.

The essence of the method of social insurance has been to provide against the expensive and predictable risks which threaten the self-sufficiency and independence of the individual. Sickness is certainly such a risk. Indeed, in most European countries health insurance has been the cornerstone of the social insurance plan.

Today all of the major industrial countries in Europe have long-established national programs to provide health care for their working population, as well as for retirees. This is also increasingly true of our Latin-American neighbors. The German plan, which was the model around which other early plans were built, was established as long ago as 1883. Austria followed in 1888 and Hungary in 1891. The growing knowledge that health of the individual was important to the nation led to early action by other European countries. Luxembourg established its compulsory insurance plan in 1901, Norway in 1909, Great Britain and Russia in 1911, Rumania in 1912, and the Netherlands in 1913. Compulsory health insurance plans were established in Bulgaria in 1918, Portugal in 1919 and Greece in 1922. The comprehensive French insurance law of 1928 became operative in 1930. In 1943 Italy passed a law providing for the fusion of existing mutual funds for workers in industry and commerce to bring about a national system. One of the questions which is invariably asked by Europeans visiting this country is—how can you say you have social security when you do not have health insurance?

The proposal I am sponsoring is certainly a very conservative approach as compared to these foreign systems, but it is a step in the right direction.

In the first place, the health insurance in my bill is limited to persons receiving retirement benefits and their dependents, the totally disabled, 50 and over, and to the widows and children of insured workers who have died—a relatively small segment of our total population. Currently, around 12½ million people would be eligible.

In the second place, the proposal provides only for hospital, surgical, and nursing home care, following the pattern developed by many of our voluntary prepayment plans. The bill specifically states that the Secretary of Health, Education, and Welfare shall have no supervision or control over: First, the practice of medicine or the manner in which services are provided; second, the details of the administration or operation of hospitals or nursing homes; and third, the selection, tenure, or compensation of hospital or nursing home personnel.

One of the results of this legislation would be its salutary effect on the Nation's financially burdened medical facilities, due in part to expenses they must bear in providing free care for indigent patients. By providing reasonable reimbursement for some of these services, we will not only be providing better care for our older citizens, but we will also be improving the financial position of our hospitals and nursing homes so that they can furnish better care for all of us.

S. 3508 will also extend the dropout provision so that a worker, in computing his average monthly wage for benefit purposes, can skip not only his 5 years of lowest or no earnings as in existing law but also an additional year for each 7 years of coverage he has under the system. This will be an advantage to all workers who have made substantial contributions to the social-security system and will be especially helpful to those workers nearing retirement who wish to take full advantage of the new $6,000 earnings base.

I desire to call attention to a new provision in my bill which I hope will be the start of a real attempt to simplify the Social Security Act. All the benefit computation formulas have been consolidated in one table so that beneficiary, by applying his average monthly wage

or previous benefit amount figure, can determine exactly what his new benefit amount and new maximum family benefit will be.

Compare this provision with that which exists in present law where it is impossible for the average person or, for that matter, the average lawyer, to ascertain with any facility what he is entitled to under the act. I hope that similar simplifications will be effectuated throughout the act so that this law, which affects 100 million Americans, will be understandable to all the people and not just a select few employees of the Bureau of Old-Age and Survivors Insurance.

To finance these improvements in the social-security system, my bill would increase the tax rate for the employer and employee alike by 1.25 percent of payroll, and would increase the earnings ceiling, for contribution and benefit purposes, from $4,200 to $6,000 a year. This latter change will reflect the steady increase in the earnings level that has occurred in the last few years. It is estimated that this year 60 percent of the men regularly employed would be earning more than the present ceiling of $4,200. Under my proposed ceiling of $6,000 a year only one man in four, or 25 percent, will have earnings above those covered by social security.

The increase in the social-security tax would pay for the improvements in the system provided for by the bill. I strongly favor the insurance principle which underlies social security, and believe it should be preserved.

It assures every covered person an equity in his retirement plan. I do not think social security should become a Government dole. The Federal Government should be trustee of the money and should adjust upward the benefits and the levies to pay for them as the level of the economy requires.

But social security should remain an insurance program for which employer and employee pay the premiums, so to speak. I hope the day will come when every American who works for a living will be able to make this sound, businesslike investment for his own retirement.

Finally, I have also sought in S. 3508 to increase public assistance by 25 percent.

I appreciate that it is a difficult task to draft legislation that will assure that an increase in the Federal contribution to the States for public assistance will be passed for whom it is intended.

The last time Congress tried to boost public assistance, we found that many of the States pocketed the money, so to speak, and the unfortunate people receiving public assistance saw not a penny of it. I regret to say that that was done in my own State of Oregon under a Republican governor and a Republican legislature.

In order to avoid—I hope—the possibility that the States will simply reduce their own contribution to public assistance, I have said in this bill that whatever the combined Federal-State expenditure is in a State, the Federal Government will match it with an additional 25 percent.

This does not affect the present formula at all. Under present law the Federal Government contributes $24 of the first $30 and $15 of the next $30 of the State's minimum public assistance payment. That formula would remain untouched by my proposal.

But after contributing $39 to the $60 minimum, my amendment would add 25 percent of that $60, or $15 more as a Federal "bonus". If the State's minimum is $100 the Federal bonus would be $25, again in addition to the $39 it contributed under the basic formula.

Thus, no State action is needed to obtain the 25 percent increase.

In order to discourage the States from decreasing their own contribution, I have provided that a State will receive no bonus at all if its own average monthly payment drops from the previous year.

There is no certainty that my proposal will work out as I intend that it should.

The junior Senator from Louisiana [Mr. LONG] has labored valiantly to perfect language to assure that recipients will benefit from an increase in Federal contributions to public assistance and not just State treasuries. I understand that he has not been satisfied that any of the proposals that have been offered are certain to accomplish this.

I realize that this proposal does not give the most to those receiving the least. It would revise benefits proportionately, instead of trying to equalize them. The equalization principle is found in the basic formula and I think an across-the-board percentage increase for all States would be salutory simply in itself and also in encouraging the States to improve and raise their own contributions.

It is quite possible that the State agencies that administer public assistance will have some criticism of this proposal. I invite them to come forward with it. I hope hearings can be held by appropriate Committees on both sides of the Capitol on this matter.

Under this section, the Federal bonus of 25 percent of the combined Federal-State effort would apply to all public assistance programs to which the Federal Government now contributes, including aid to the blind and aid to dependent children.

Of course this money would come out of general appropriations, since it is not a part of the old-age and survivors insurance system.

I believe we must make these changes in our social security plan in order to keep it up to date and to keep it responsive to the ideals of our country. The goal for such a program has been well-stated by one of its founders, the great Edwin E. Witte, who wrote:

> Those who believe in social insurance, as I do, see in it a bulwark for a free economy and a democratic government. They regard the increasing attention given social security the world over as a necessary, perhaps an inevitable, consequence of an aging population, of industralization and urbanization, of technological progress and the advance of science and medicine, of rising standards of living and a growing concern for the unfortunate and underprivileged. To them, social security means not a feather bed provided at public expense, but a net to catch those who fall, or rather, a floor which will assure all Americans in all contingencies of life a minimum income sufficient for an existence in accordance with prevailing concepts of decency. Anything above such a minimum, the citizens must still provide for themselves.

Mr. President, I urge the appropriate committee to give early consideration at hearings to my proposals, because I am certain of one thing: Submit this issue to the American people, and an overwhelming majority of them will vote for at least as much as I have included in my social-security bill. Many of them will say, "You have not gone far enough."

But, in my opinion, this is the correct approach. It constitutes steps in the right direction. I hope we can get action on it before this session of Congress adjourns.

Mr. President, I now turn for a few minutes to another subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

STAY IN REDUCTION OF SUPPORT PRICES—VETO MESSAGE

Mr. MORSE. Mr. President, the veto today by the President of the United States of the price-freeze legislation recently passed by the Congress will be discouraging news to the farmers of the Nation.

The Governor of Oregon, in a recent telegram on another matter, had reference to the $80 million farm labor payroll and the $64 million farm crop processing labor payroll, of my State. The action of the Executive, upon the advice of his Secretary of Agriculture, in vetoing legislation passed by both House and Senate with bipartisan support, will undoubtedly have adverse repercussions upon the farm economy payrolls of Oregon and most other agricultural States.

The Oregon dairy farmer, together with the wheat farmer of eastern Oregon, can best appreciate what this action will cost. Dairy price-support freeze provisions of the vetoed measure were designed, in part, to counter the action of the Secretary, scheduled for tomorrow, in lowering dairy supports.

I sincerely hope that Secretary Benson will not compound the injury to dairy farmers given by this veto, through an ill-advised and stubborn attempt to follow through by persisting in the lowering of dairy supports. To do so is to drive further toward bankruptcy the hard-working men and women upon whom each of us is dependent for the milk we daily drink and the butter on our bread.

My office was advised at 2:30 p. m. today, by Mr. Marvin L. McClain, an Assistant Secretary of Agriculture, that, as of that time, the position of the Secretary remains that he still stands by his guns, and will proceed with the lowered dairy supports. It is a tragic mistake, which while there is yet time, should be avoided by the Secretary.

All the verbiage of the veto message aside, Mr. President, the veto means in all simplicity, that this Eisenhower administration is determined to cut support price levels. To cut price support

levels now is particularly harmful to the wheat and dairy farmers of Oregon.

I know that some apologists for the President will point to the recent statistics of a 4 percent rise in farm income, as a justification of the administration policy. If we go below the glittering generality of that figure, Mr. President, what do we find? In the first place, the administration is claiming credit for an act of God—a frost that ruined many truck farmers. The Department of Agriculture figures which were supplied to me over the telephone at my request show that with respect to tomatoes for example, there has been a price rise of $8.80 per hundred. Last March the growers stood at $7.50 per hundred. This March the price is $16.30 per hundred. Last March 30,000 carloads were shipped from Florida. This March carload shipments are estimated to be only 14,000.

Meat output accounts in the second place for a good portion of the rise, beef now brings to the farmer about $21.70 per hundred as opposed to the $16.00 a hundredweight of a year ago. Hogs have risen from $16.80 a hundred of a year ago to their present price of $20.30.

These are important gains to farm income, but of what relevance are they to the wheat and dairy farmer? If supports are gone in these strategic areas can we not expect to see a drastic reversal of these encouraging price trends? The dairy farmers who go bankrupt and whose herds are sent to market for slaughter—for who would want to buy them for their highest use—milk?—will get comparatively little for them as cutter and canner grade beef, and this excess of lower-cost beef will undercut the price for higher grade meat.

As unemployment insurance payments run out, it does not take a particularly astute prophet to fortell that meat and milk products will vanish at an ever-increasing rate from the dinner tables and the supper tables of a great many American families. The rise in potato prices, which is definitely not a seasonal one, from $1.76 in January to their present status of $3.25 a 100 pounds, may be a grim warning of what is to come.

However that may be, I am certain that the wheat and dairy farmers of the Nation whose price support floor has been jerked out from under them and who face a sharp decline in income by this veto action will be mighty poor buyers of automobiles, farm equipment, or home appliances for too long a time. We have an interlocked economy, and when one segment is hurt, the cash registers of all other areas note the difference and start to sing a sorry muted tune.

Mr. President, I deplore this veto by the President as bad policy based upon bad advice. The responsibility for it is crystal clear. The farmers of my State are literate, and their analysis of this act of the Executive will result, in my judgment, in a clear rejection of the administration policy at the November polls.

THE TEXTILE INDUSTRY NEEDS HELP

Mr. JOHNSTON of South Carolina. Mr. President, it is self-evident that America, as the leader of the free world alliance, must remain strong. We must be strong spiritually, morally, militarily, and economically.

We need a thriving, prosperous Nation, with production in full gear to support the military system essential to our survival in freedom in this missile age.

Mr. President, it behooves us, therefore, to look to our economic situation so that we will have a flourishing economy to develop our fullest strength and widen our influence in the family of nations.

I make these few preliminary observations so that we may have clearly established the proposition that those who labor for the prosperity of certain fundamental American industries are at the same time serving the national interest.

Only too often is there loose criticism that those who seek the protection of vital American industries are short-sighted, are unaware of international problems, are working against our Nation's best interests.

As a matter of fact, quite the reverse is true: We serve the cause of freedom and global security best by husbanding our prime industries and by keeping our people working so we can assist the grand alliance which works to thwart aggressors.

One of the greatest boons the Kremlin can have is a depressed, run-down America; the greatest asset the free world can possess is a dynamic America, going full blast with its productive power. We have the responsibility of being vigilant of our essential industries, the economic springs which feed our business and industrial systems.

Mr. President, at this time I refer to the textile industry which actually is of the roots of our economic system. It is in sound self-interest that we be solicitous of this great industry. Historically, it is an integral part of the American scene.

Mr. President, textiles are literally woven into the fabric of American history. Every school child knows the part which the spinning wheel and the loom played in the life of our Republic from its earliest days down to the present. We should regard the textile industry as an old friend, tried and true.

This old friend, the textile, is in trouble, and it needs our attention and help.

It is in trouble, for one reason, because of the flood of textiles from Japan, a flood which has swept away the equitable safeguards of quotas which were voluntarily assumed by Japan.

Mr. President, let me say at once that I am well aware that the Japanese people have their own problems; that the Japanese nation is struggling to be successful economically; that Japan is our ally in the vitally important Pacific.

I know that it would not be wise or sound business for us to pursue policies which would choke off Japanese industry, or stifle that country's seriously needed trade. All of these matters have had consideration by our Government, at top levels; these matters have been well discussed by the respective parties. The problem of textile quotas has been approached with understanding and in a spirit of mutuality. It was in a spirit of equity, fairness, and mutuality that the textile quotas for Japan were established. And it should be a matter of equal concern that the agreement be kept. Unfortunately the evidence is impressive that the quotas are being violated.

Mr. President, the Eisenhower administration should use its powers to correct this situation, for healthy international trade requires a proper balance. It would be well for us to keep uppermost in our minds that when the late Cordell Hull sponsored the Reciprocal Trade Act in 1934, his basic aim was to better America's export position. Unfortunately, over the years, the fine purpose of this great American has been lost through maladministration.

Mr. President, it is of vital interest to our Nation that the textile industry be restored to sound health, for apart from what it contributes to our national economic well-being, it is an important partner to our Armed Forces.

It is of real significance that during World War II, the United States Armed Forces required more than 10,000 different types of textile items. We cannot afford to let such an industry lag in the doldrums or languish unattended. Rather, it is in the national interest to repair the damage at the earliest possible moment.

Mr. President, here are some pertinent textile facts that warrant attention and consideration:

Since 1950, employment in textiles in the United States has declined by 344,000 jobs. To this figure, of course, can be added the figure for employment loss in affiliated industries and in service industries. For instance, the cotton industry alone purchased $2 billion worth of materials annually from the chemical industry.

The United States Government itself last year spent $88 million in the purchase of foreign-manufactured textiles. The irony of all this is that United States tax dollars were used to finance foreign competition against American textile firms.

Japan's cotton industry is able to buy American cotton 20 percent cheaper than the American textile manufacturer can buy it; in addition, the Japanese textile manufacturer gets the benefits of machinery which our Government helps pay for, and he has the advantage of labor that works for one-tenth of the wages paid in the textile industry in the United States. The products of this United States-subsidized Japanese textile industry are then permitted to flood the American market, further depressing the domestic textile industry. This costly, inequitable competition goes on unchecked and unabated, while our national jobless toll soars toward the 6 million mark.

Mr. President, matters have not been helped by the action taken by our Government on September 10, 1955, when

the tariff rates on many cotton products were reduced, in some instances up to 50 percent.

Whether in New England or along the middle Atlantic seaboard or in the South, the textile picture is the same. The industry is depressed and struggling for survival. Layoffs and liquidation continue to be the order of the day.

Mr. President, the condition of the American textile industry warrants a thoroughgoing reappraisal. Thought ought to be given to expanding the Tariff Commission and giving it independent status, so it can be responsible to the will of Congress. Certainly Congress has not willed the present distress of textiles, nor can Congress idly abide this distressed condition.

Mr. President, the best interests of our country require official changes in trade policy and administration to revive and strengthen the United States textile industry.

Mr. President, I hope the administration will awake from its slumber and will do something to relieve the textile industry of the situation which faces it at the present time.

TULELAKE AREA—MINIMUM WHEAT ALLOTMENT

Mr. SMATHERS. Mr. President, I move that the Senate proceed to the consideration of Calendar 1442, Senate bill 3120, to exempt the production of durum wheat in the Tulelake area of California.

Mr. COOPER. Mr. President, I have no objection.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the motion by the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3120) to exempt the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection as follows:

"(i) Notwithstanding any other provisions of this act the Secretary shall increase the acreage allotments for the 1958 and 1959 crops of wheat for farms in the irrigable portion of the area known as the Tulelake division of the Klamath project of California located in Modoc and Siskiyou Counties, Calif., as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of 8,000 acres for the area. The additional allotments made available by this subsection shall be in addition to the national, State, and county allotments otherwise established under this act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support.

The amendment was agreed to.

Mr. YOUNG. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, in line 20, after the period, it is proposed to insert:

The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage.

Mr. YOUNG. Mr. President, the bill affects only a small area in California, the so-called Tulelake area. The bill would allow that area approximately 8,000 allotted wheat acres which could be planted to durum wheat. It is the only area there where this type of wheat could possibly be grown. This wheat is subject to rust, with the result that the production this year is the least in recorded history. So the allowance of these 8,000 acres will not hurt anyone.

The amendment I submit would require that the increase in acreage be limited to just class II, durum wheat. That was the understanding with the committee. The bill as reported to the Senate was a version of a bill suggested by the Department of Agriculture.

If these additional acres are to be made available, I believe this amendment should be included in the bill.

The amendment which I have proposed meets with the approval of the sponsors of the bill—the junior Senator from California [Mr. KUCHEL], and other Senators.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. YOUNG].

The amendment was agreed to.

Mr. YOUNG. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an explanation of the bill.

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

EXPLANATION OF S. 3120

As introduced, this bill would have exempted durum wheat produced in the Tulelake area of the Klamath project from wheat marketing quotas, and make such wheat ineligible for price support. The Department of Agriculture recommended against complete exemption; but was sympathetic to the special problem of the farmers in the Tulelake area, and prepared an amendment to the bill which has been adopted by the committee.

The committee amendment would establish a minimum wheat acreage allotment in the irrigible portion of the area for 1958 and 1959 of 8,000 acres. Farms receiving additional allotments would not be eligible for wheat acreage reserve participation or price support.

The producers affected by the bill are practically all veterans. They have very few crops which they can produce, and durum wheat is one of these few. It is especially good for rotation purposes in the area. In 1956 and 1957 these producers planted durum wheat under section 334 (e) of the Agricultural Adjustment Act of 1938, which was designed to obtain increased production of durum wheat during those years. However, the acreage so planted was not counted as history toward future allotments. These farmers, therefore, have practically no acreage history, and this year their wheat acreage allotment has dropped to about 546 acres. By providing a minimum acreage allotment of 8,000 acres for 1958 and 1959 the committee amendment will permit these producers to build up acreage history toward fair and reasonable wheat acreage allotments in future years.

The bill, as introduced, was limited to durum wheat. The committee amendment was not specifically limited, such limitation having been considered unnecessary in view of the fact that durum wheat is the only wheat grown in the area. However, it was the committee's intention that the bill would be applicable only to durum wheat, and the bill, consequently, should so specify. I am therefore offering an amendment to make this technical correction.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 3120) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection as follows;

"(i) Notwithstanding any other provision of this act the Secretary shall increase the acreage allotments for the 1958 and 1959 crops of wheat for farms in the irrigable portion of the area known as the Tulelake division of the Klamath project of California located in Modoc and Siskiyou Counties, Calif., as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of 8,000 acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State, and county allotments otherwise established under this act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage mde vailable under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of

the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop-rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subection shall be conditioned upon the production of durum wheat (class II) on such increased acreage.

The title was amended, so as to read: "A bill to amend the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, to provide additional allotments for farms in the Tulelake area, Modoc and Siskiyou Counties, California, for the 1958 and 1959 crops of wheat, and for other purposes."

REORGANIZATION OF THE DEPARTMENT OF DEFENSE

Mr. COOPER. Mr. President, it is reported that the Secretary of Defense has submitted to the President his plan to reorganize the Department of Defense, and that the President will soon make to the Congress his recommendations on reorganization.

After Soviet Russia sent up its first satellite, there was a great outcry in this country that the functions and operations of the Department of Defense should be reexamined, and the Department reorganized, to assure its maximum effectiveness, for the very security of this country.

The President, in his state of the Union message on January 9, 1958, emphasized the compelling necessity of a more effective Department of Defense, and his intention to submit recommendations for its reorganization. I remember that his statement, and I am sure we all agree, met universal approval in the Congress and throughout the country.

Now, however, when the President is preparing to present recommendations, opposition to any extensive reorganization appears. Bills have been introduced in the House and the Senate, which, if enacted, would at least minimize, if not negate, the possibility of an effective reorganization of the Department of Defense.

On February 3, I introduced in the Senate a bill which followed the recommendations expressed by the Hoover Commission in its report of February 28, 1949, by former Secretary of Defense Robert A. Lovett in a letter to President Truman on November 18, 1952, and the implied recommendations of the Rockefeller Commission reports of 1953 and 1958. All of them dealt with the civilian reorganization of the Department of Defense.

The Hoover Commission described the three departments as a "federation with autonomous powers, with the Secretary of Defense acting as a coordinator." On August 2 of last year, the Honorable John A. McCone, former Secretary of the Air, in his speech to the Air Force Association air power symposium, said that the three services were not operating under a single administrative roof, but rather as a rigid structure of federation.

The chief recommendation of the Hoover Commission was that actual control and authority be given to the Secretary of Defense to administer the entire Department of Defense in place of what they termed his present role of coordinating the three separate administrations of the Departments of the Army, Navy, and Air Force.

The bill which I introduced would have accomplished, or attempted to accomplish this objective by:

First. Transferring to the Secretary of Defense the powers and functions of the Secretaries of the Army, Navy, and Air Force. This is the exact recommendation of the Hoover Commission, and was also recommended by former Secretary Lovett.

Second. It would establish Under Secretaries of Defense for Army, Navy, and Air Force, in place of the present Secretaries. This, too, was recommended by the Hoover Commission. I doubt very much that in the present temper of the Congress this last recommendation is possible, but I suggested it in order to dramatize the necessity and requirement that the Secretaries of these forces shall administer their Departments in the scope of the national defense and security, rather than from the objectives of their separate Departments.

The bill which I introduced did not deal with the reorganization of the Joint Chiefs of Staff. It did not abolish the separate military Departments, or the military services, or interfere in the command functions of the military services. It did not interfere, as it could not, with the constitutional power of the Congress to make appropriations for the services. It did not deal with the problem of roles and missions, which, I assume, is a matter for the President to decide, as Commander in Chief, subject to the broad outlines prescribed by the Congress in the National Security Act.

I have read statements which proposed that Congress prescribe those roles and missions. The RECORD shows that when the National Security Act was being developed, Mr. Truman sent to Mr. Lovett and to the departments then in the Department of Defense his recommendations as to roles and missions, and they were enacted in the National Security Act. They are quite broad. Someone has described them as the division of the elements as laid out in the Bible; namely, that the Army should have the land, the Air Force the air, and the Navy the water. So there is nothing very specific laid out in the National Security Act regarding roles and missions. It is my judgment that the President, as Commander in Chief, would have the power, within those limits, to prescribe what specific roles and missions should be undertaken by the respective services.

I am not here to advocate the strengthening of the bill I introduced. It was not an original bill, because it was simply devoted to carrying out the recommendations made by some great Americans, who for years had studied the problem of the reorganization of the Department of Defense.

Its purpose was to provide a means, as recommended by the Hoover Commission and Mr. Lovett, and many others, to give the Secretary of Defense the authority to actually control and operate the three Departments of Defense, in the broad interests of the country and its national security.

For, if the reports I have cited, made by distinguished Americans, are correct, the Secretary of Defense's authority today is limited to coordinating the administration of the three separate Departments, which by their very organization must consider first their separate interests.

In making this statement, I cast no aspersions on the patriotism or ability of the present, or any past or future, Secretaries of the three Departments. However, it seems to me perfectly obvious, because the present National Security Act requires that they administer separately their Departments, and because their leadership and effective work in their positions depend on the support of members of their respective services, they cannot help becoming, in some degrees more or less advocates of their services. Further, they are civilians and not military men. They are advised by an experienced and able Chief of Staff of their service, whose interest, because of his training and loyalty, must be in his own service. Again, the service officers and enlisted men must look to their own service and their Secretary for their promotion and well-being. All of these factors, in my view, tend to strengthen the autonomy of the separate services, and decrease, naturally, the authority of the Secretary of Defense.

I do not think that what I have said is mere hypothesis. I give several examples of the effect of the division of authority, which adversely affects the economical operation of the Department of Defense and the security of this country.

First. Budgets are prepared in the three services separately. It is only through review by the Secretary's office that duplications can be stricken and larger economies effected.

Second. Much has been said about joint procurement to save money appropriated by the Congress. Yet after years of effort, I am informed that the initiative toward joint procurement comes chiefly from the Secretary's office, and the Congress, against the continued effort of the services to maintain their own procurement.

Third. It is evident that economies could be affected if joint use of hospitals, warehouses, and store supplies could be assured. Some progress has been made. But, again, because of the principle of separate administration, progress in this direction comes chiefly from the initiative of the Secretary of Defense.

Fourth. Most important today is the problem of research and development for national security. Each of the departments maintains its division of re-

search and development. I do not argue now the question whether competition of the services in this field is good or bad. What I do say is that the progress or failure of the three services in research and development should be available immediately to the other services, with all supporting information. I am informed that the exchange of information has not been readily available between the departments. I think we all know this to be true. If it is true, and I believe it to be true, it has affected and will continue to affect the security of our country.

My conclusion is—and it is a conclusion based upon the Hoover report, upon the statement made by Mr. Lovett, and upon many other things—that the Secretary of Defense should have authority to administer the three Services. He should have authority to initiate better budget preparation, joint procurement, joint use of facilities and stores, and most important, for a full exchange of information, and full cooperation in research and development.

Further, in my view, the preeminence of the civilian authority over the military authority will be assured by giving the Secretary of Defense authority over the administration of the three Services. I give my reasons for this statement. There is no question that the military leaders in the Department of Defense occupy a very strong position. This is indicated, if by nothing else, by the debate over reorganizing the Joint Chiefs of Staff. Their strong position is a normal consequence of the fact that they understand military operations while civilians do not understand easily military operations. And now, with modern weapons, the tendency toward leaning on the trained military man must increase. If there is to be an effective civilian check and review of the recommendations of the military leaders, it seems to me that the Secretary of Defense must have the full authority to question, to check, and to review policy decisions and administrative operations from the time of their initiation, in the various Services. Otherwise, he will be required to wait until these decisions have been hardened at the Department level, and come before him with the support of the Chief of Staff of the Service, the Secretary of the Service, and perhaps the Joint Chiefs of Staff. We can expect, because of their training, and I may say their loyalty, that military leaders of a Service will advocate the views of the Service. But the primary responsibilities of the civilian Secretaries of the Army, Navy, and the Air Force ought to be to the Department of Defense as a whole rather than to their separate departments.

We have spent billions of dollars on defense since World War II, and will be called upon to spend increasingly larger sums. The security of our Nation may depend upon research and development in the Department of Defense, in coordination with our civilian scientists.

I do not believe the people of our country will submit longer to inefficiency and waste in the Department of Defense. More important, the country will not risk its security because of divisions and hardened positions in the Department of Defense.

As a civilian, I am not widely familiar with the detailed problems of the Department of Defense. I spent nearly 4 years in the armed services in time of war, at home and abroad. I am proud of my service in the Armed Forces. But I learned, as every member of the armed services has learned, of the waste and duplication in the armed services. This is often necessary in war because no risk can be taken that one does not have enough, and perhaps more than is needed, but it is not necessary in peace, or even at this time. As a member of the Armed Services Committee for 2 years in 1953 and 1954, I learned how difficult it was to get any clear idea of the operation of our Defense Department and the separate responsibilities of the service. I sat as a member of a special committee in 1953 which attempted to fix responsibility for the failure to supply sufficient ammunition of various types to our troops in Korea during the Korean war. We were never able to find out exactly the causes of the failure and to fix responsibility.

I do not criticize the military services and their leaders for the division of civilian authority in the Department of Defense. Even the civilian Secretaries of the departments find themselves required to become champions of their services.

Their positions as Secretaries of the Army, of the Navy, and of the Air Force would deteriorate and be derogated if they were not strong champions of their services before the civilian personnel and the military personnel of the Army, of the Navy, and of the Air Force. They cannot take the full steps which would lead to true unification in the Department of Defense, or which would at least lead to a better reorganization at this time, when it is necessary as never before.

It is up to the Congress to take the effective steps which could provide a real unification of the armed services. This is the reason that I have been disturbed by statements, and by the introduction of bills, which, if adopted, would seem to negate the possibility of any actual and effective reorganization of the Department of Defense.

The mere pouring of more money into the Pentagon is not enough to save us from the greatest security crisis our Nation has faced. We have to have a better application of brains, better management and clearer civilian responsibility. This is the first step in a long-term program which we are going to have to follow in order to survive.

It is my judgment that while it may be difficult to make any advance in the matter of the authority of the Joint Chiefs of Staff or the duties of the Chiefs of Staff, certainly we can make advances in the civilian reorganization of the Department of Defense and give to the Secretary of Defense not only the real authority actually to administer the level above the three separate services or departments, but also the authority and control actually to administer and operate the entire Department of Defense.

We ought not to close our minds, or fix our positions in advance against the President's recommendations. I am sure that the President and the Secretary of Defense, who has performed a remarkable service in his short tenure of office, will make recommendations, with the purpose of making the Department of Defense a more effective agency for the defense of this country. The fiscal stability of our economy, our security, and, in a broad sense, the security and peace of the world, will be affected largely by our actions on the recommendations of the President.

Mr. DOUGLAS obtained the floor.

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

Mr. DOUGLAS. I yield to the Senator from Montana.

EXTENSION OF TIME FOR FILING OF REPORTS BY COMMITTEE ON THE JUDICIARY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time for the filing of reports by the Committee on the Judiciary, required by Senate resolutions, be extended to April 28, 1958. The resolutions referred to are Senate Resolutions 49, 53, 54, and 58.

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

RETIRED PAY WAIVER BY RESERVISTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1417, House bill 1140.

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

The LEGISLATIVE CLERK. A bill (H. R. 1140) to amend Public Law 85-56 to permit persons receiving retired pay for nonregular service to waive receipt of a portion of that pay to receive pensions or compensation under laws administered by the Veterans' Administration.

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.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement from the Finance Committee in relation to House bill 1140.

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

SUMMARY OF H. R. 1140, 85TH CONGRESS

The proposed legislation will grant to reservists, enlisted and officer alike, a privilege that is now applicable only to regulars. The advantage, of course, is that a person who can draw compensation or pension from the Veterans' Administration is allowed to exclude that compensation or pension from his income for tax purposes whereas all retirement pay, other than retirement pay for disability, is taxable.

In the event the proposed legislation becomes law, regulars and reserves alike, who qualify for retired or retirement pay, and who are eligible to receive pensions or compensation from the Veterans' Administration, will

be allowed to receive that compensation or pension from the Veterans' Administration, which is not taxable, and waive a like amount in retired pay. This benefit will not increase the amount of pension or compensation they will receive from the Government but will reduce their taxable income.

The bill adds to the existing list four new groups, namely, reservists not retired for disability, Public Health Service, Coast Guard, and Coast and Geodetic Survey Service. Hospital and burial benefits would be granted to a limited number who would take Veterans' Administration compensation.

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

The bill was ordered to a third reading, read the third time, and passed.

ESTABLISHMENT OF POSTAL STATIONS AT CAMPS, POSTS, OR STATIONS OF THE ARMED FORCES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1421, House bill 4815.

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

The LEGISLATIVE CLERK. A bill (H. R. 4815) to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, 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.

Mr. JOHNSTON of South Carolina. Mr. President, under authority of section 1 of the act of March 10, 1952, the Postmaster General could establish postal stations at military camps or at other strategic installations. However, that authority expired on March 10, 1957. In the interest of more efficient and economical operation of postal facilities necessary to serve installations of the Armed Forces, both the Post Office Department and the Department of Defense asked that the authority be renewed and continued on a permanent basis. The bill will accomplish this purpose.

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

The bill was ordered to a third reading, read the third time, and passed.

INCREASED MAINTENANCE ALLOWANCE FOR RURAL CARRIERS

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the present consideration of Calendar 1441, Senate bill 3050.

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

The LEGISLATIVE CLERK. A bill (S. 3050) to increase the equipment maintenance allowance for rural carriers, 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, which had been reported from the Committee on Post Office and Civil Service with an amendment, on page 1, line 10, after the numeral "(2)", to strike out "$4.50" and insert "$3.50", so as to make the bill read:

Be it enacted, etc., That section 609 (a) of the Postal Field Service Compensation Act of 1955 (69 Stat. 128; 39 U. S. C. 1009) is amended to read as follows:

"SEC. 609 (a) In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to (1) 11 cents per mile for each mile or major fraction of a mile scheduled or (2) $2.50 per day, whichever is greater. In addition to the allowance provided by the preceding sentence, the Postmaster General may pay such amount as he determines to be fair and reasonable, not in excess of $2.50 per day, to rural carriers entitled to additional compensation under section 302 (c) of this act for serving heavily patronized routes. Payment for such equipment maintenance shall be made at the same periods and in the same manner as payments of regular compensation."

SEC. 2. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

SEC. 3. The amendment made by the first section of this act shall take effect on the first day of the first pay period which shall begin more than 30 days after enactment of this act.

Mr. JOHNSTON of South Carolina. Mr. President, the bill would increase the basic equipment allowance for rural carriers of the Post Office Department to 11 cents per mile from the present rate of 9 cents per mile, and as amended provides a minimum allowance of $3.50 per day. In actual operation, this means that a rural carrier with a route of 32 miles or less would receive the $3.50 minimum allowance, whereas carriers with routes in excess of 32 miles would receive 11 cents per mile.

Present law provides that in addition to the basic allowance of 9 cents per mile carriers serving heavily patronized routes may be given an extra amount which, together with the mileage allowance, will not exceed a total of $3 per day. In other words, a rural carrier serving a route of less than 33 miles deemed by the Post Office Department to be heavily patronized, receives the basic 9 cents per mile and may be given an additional allowance which will not increase his total equipment allowance to more than $3 per day. This limitation prevents a rural carrier having a route of 33 miles or over from receiving any additional allowance even though he is serving a route deemed to be heavily patronized because his basic mileage allowance is in excess of the $3 ceiling.

The bill would change existing law in this regard by providing that the Postmaster General may give rural carriers an allowance of not to exceed $2.50 per day for serving routes deemed to be heavily patronized without regard to the basic mileage allowance.

The equipment allowance for rural carriers has not been increased since 1951. Since that time the cost of automobiles has increased over 30 percent; repairs over 60 percent; license and other taxes in excess of 40 percent; insurance approximately 30 percent; gasoline and oil some 20 percent; and, other operating costs proportionately.

Rural carriers are required to provide adequate vehicles to perform their daily duties. Convincing testimony was presented during public hearings indicating that the current allowance falls short of reimbursing carriers for their actual expenses incurred in owning and operating equipment necessary to the performance of their assigned duties. The result is that rural carriers are currently subsidizing the Government by furnishing and operating their vehicles at annual losses running from $200 to $500 per annum.

Public hearings were held on February 7, 1958. Several Senators and Representatives testified in support of the bill. Also, favorable testimony was received from representatives of all interested employees groups. The Post Office Department appeared in opposition to the bill until such time as it might survey the matter. However, the committee suggests that further surveys are not necessary.

The Post Office Department estimated that the bill, as introduced, would increase expenditures by some $13 million annually but that, as amended, the cost would amount to $11,200,000 annually.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I believe the Senator from Texas has a statement he wishes to make.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement showing increases in the cost of automobile tires, gasoline, repairs, taxes, depreciation, and insurance since the last increase, in 1951. The statement shows an average increase of a considerable percentage above the increase requested in the bill.

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

STATEMENT BY SENATOR YARBOROUGH

An increase in equipment maintenance allowance of rural carriers is long overdue. There has been no increase since 1951 in spite of the fact that there has been an increase in costs since 1951 as follows: automobiles, 30 percent; gas and oil, 18 percent; tires, 30 percent; repairs, 75 percent; license and taxes, 42 percent; and insurance, 27 percent. This bill provides for an increase of only 2 cents per mile, which amounts to only about 22 percent.

A national survey among rural carriers shows an average vehicle cost per mile of 11.3 cents. The Post Office Department's costs for 1956, as shown in the 1956 report, were 12 cents per mile for mounted route vehicle service. Comparable figures are not available for 1957, but the Postmaster General stated in his report that vehicle costs had risen due to increased taxes on gasoline and tires. His report also showed an average 10-percent increase in the costs of replacement parts.

The American Automobile Association recently completed studies which indicated that for an average annual mileage of 5,000 miles, the cost per mile is 16.4 cents; for an average annual mileage of 10,000 miles, the cost will average 10 cents per mile; and for a 20,000 annual mileage, it will average 7 cents per mile. This study is for normal driving. Rural carriers travel over all types of roads, in all kinds of weather, and they make an average of 300 stops per day. By actual test, the rural carrier uses twice the normal amount of gasoline per mile and he obtains only half the normal mileage from his tires. His repairs are high, and the depreciation on his car is higher. Many automobile dealers are not interested in trading for his automobile, because they know of the hard operating conditions.

The rural carrier is faced with a double-barreled dilemma in attempting to maintain adequate equipment. If he trades models frequently in order to avoid high repair bills, he is hit by a sharp depreciation loss which on a national average will be at least $635 per annum on any of the three lowest priced cars. If he does not trade, he is then subjected to frequent expensive repairs. He cannot avoid the costs and he cannot beat them.

Mr. YARBOROUGH. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement entitled "Fact Sheet on Rural Carriers' Equipment Maintenance Allowance."

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

Fact sheet on rural carriers' equipment maintenance allowance

	Cents
National survey among rural carriers shows average vehicle cost per mile in 1957	[1] 11.3
Post Office Department's own vehicle costs for mounted delivery service in 1957	[2] 12

[1] Survey conducted by National Rural Letter Carriers' Association. Reports taken from 1957 income-tax returns of individual rural carriers.

[2] Post Office Department motor vehicle service cost accounting, 8th period, January 12-February 8, 1957—statement 4.

Yet rural carriers drive over 50 percent of the unimproved roads in the country. On the improved roads, they constantly drive on the shoulder, berm, or in the ditch in serving rural patrons. Mounted routes are principally on city streets.

Although the Government secures its vehicles on a fleet purchase plan, pays no excise taxes, carries no insurance, and has no licensing fees, rural carriers can operate their private vehicles at a lesser cost than the Government operates mounted delivery. (Comparable ½-ton units.)

A rural carrier can actually operate his vehicle more economically because he has a personal interest in the maintenance of his vehicle and constantly works to keep costs down. This is a benefit to both himself and the Government.

Summary

ACTUAL COSTS	
Post Office Department-owned vehicle (mounted route) per mile	[1] $0.12
Post Office Department-owned vehicle (mounted route) per day	[1] 5.36
RURAL CARRIERS' REQUEST AND NEED	
Vehicle per mile	0.11
Vehicle per day (whichever is greater)	3.50

[1] Post Office Department motor vehicle service cost accounting, 8th period, January 12-February 8, 1957—statement 4.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial entitled "Auto Liability Rates Still Climb," found on page 149 of the National Rural Letter Carrier for March 15, 1958.

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

HOW HIGH THE MOON?—AUTO LIABILITY RATES STILL CLIMB

[From the National Rural Letter Carrier]

Various newspaper and industry reports indicate that auto liability insurance rates, which have been climbing steadily since 1956, are destined to go higher still in 1958. In some areas, auto owners will be called upon to pay up to 35 percent more for their insurance coverage.

The Wall Street Journal, in a front page article in their issue of March 6, set forth many facts on the outlook for costlier auto insurance. This article stated: "The reason for the relentless rate rise, the insurance men say, is simple enough: Even with the sharp increases of the past year or so, most companies are still losing money on auto insurance.

"The America Fore Group, for example, reports it cost nearly $14 million more to settle auto insurance claims in 1957 than it collected on premiums on such policies. Continental Casualty Co. last year suffered its first underwriting loss in 22 years, attributing it directly to its auto insurance division.

The amount of increase will vary widely from area to area, although it is expected that auto liability insurance rates will go up in every State.

Many rural carriers, in submitting cost data in substantiation of an equipment allowance increase, give this office a factual report on the sharp rise already effected during 1957. This is but one area of costs which has been jumping by leaps and bounds, and which has made most necessary action of the Congress to raise the allowance paid carriers for delivering the mail.

The rural carriers of the Nation have demonstrated that they are safe drivers, as evidenced by the thousands of safety driving awards being given them on the basis of their record of safe driving. In addition, competition among fleets of vehicles has repeatedly shown that rural carriers as a group are among the safest group of drivers in the Nation. Regardless of this safety record, as a group, however, every rural carrier is going to pay the increased insurance rates made necessary by the climbing cost of repairs, for accident damage, for the bigger jury awards and settlements in damage suits, and for the rising hospital and medical costs which have also sharply affected the claim settlements.

This climbing cost of repairs is definitely putting up the insurance rates. Likewise, this same area of costs is giving the rural carrier a double-barreled kick in the pocketbook because he is also suffering the sharp repair costs incident to normal maintenance and upkeep.

An equipment allowance increase is a must.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial entitled "Car Depreciation Costs Up," published in the National Rural Letter Carrier for March 22, 1958.

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

CAR DEPRECIATION COSTS UP

The District of Columbia division of the American Automobile Association announced on March 14, 1958, that the typical car owner's bill for driving 10,000 miles annually will run about $75 higher this year than it did a year ago. It further pointed out that the average yearly increase between 1953 and 1957 was $29. The largest single increase in the cost of owning a car is in depreciation, and on the cheaper models it amounts to $565. So says the AAA. The Nation's rural carriers will be among the first to acknowledge the truth and fact of this report by the Nation's largest automobile association.

This is but a further factual demonstration of the increased costs which make an increase in a rural carrier's equipment allowance absolutely necessary.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD at this point statements from various rural letter carriers, including a telegram from the president of the Texas Rural Letter Carriers Association, Oakwood, Tex.

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

From a letter to Senator RALPH YARBOROUGH, February 5, 1958, from Mr. B. T. Martin, Rural Route No. 1, Diana, Tex.:

"This is my personal standing of my equipment allowance for 1957. I want to state in the beginning that I am one of the most fortunate carriers that I know of. I have a 43-mile route with all paved and oiled roads except 1 mile of gravel and it still cost me $330 more to operate last year than my equipment allowance of 9 cents paid me. Take $330 from my salary, $3,931, which leaves $3,601. After 6 percent is paid for retirement, it leaves me $3,365.14 to feed and clothe a family of 5."

(Mr. Martin's weekly salary is only $64.71, because of the above.)

VALLEY MILLS, TEX., *March 30, 1957.*

Senator RALPH YARBOROUGH,
Senate Office Building:

Since last increase in equipment allowance for rural carriers in 1951 cost of maintaining our cars have increased from 30 to 40 percent. Thousands of rural carriers are suffering losses of several hundred dollars annually in maintaining their equipment. An increase in equipment allowance is urgently needed.

BUN RALEY,
Past President National Rural Letter Carriers Association.

STATEMENT OF EUGENE J. LYONS, POST OFFICE DEPARTMENT IN A LETTER TO SUBCOMMITTEE CHAIRMAN CHURCH ON S. 3050

The Department is persuaded that a minimum daily allowance of some amount is proper, in recognition of the fact that certain fixed vehicle costs are incurred irrespective of the length of the route. Our studies point to the conclusion that a minimum daily allowance of $3.50 would provide reimbursement to the rural carriers on the shorter routes not only for that portion of the fixed cost which is attributable to official use of the vehicle, but also for expenses incurred in the operation of the vehicle while on the route.

STATEMENT OF THE BUREAU OF THE BUDGET ON RURAL CARRIERS EQUIPMENT ALLOWANCE

The Bureau of the Budget supports the position taken by the Post Office Department in the attached letter recommending 10 cents per mile or a minimum of $3.50. Therefore need is accepted. Only difference is in the 11 cents.

PALESTINE, TEX., *March 30, 1958.*

Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D. C.:

Sincerely appreciate your continued support of long past due and fully justifiable increased equipment allowance for rural carriers. The large and continuing rise in costs and maintenance of our vehicles since our last raise in equipment allowance in 1951 is an accepted fact. Conditions on my 54-mile route are about average for this section of Texas and my allowance of $1,324.53 for 1956 lacked $259.16 of covering my expenses. In 1957 this deficit increased to $326.12. This large and growing deficit forces us to pay the difference from our already inadequate salaries. Know you agree this unfair situation should be corrected.

Sincerely yours,

DECK M. MOORE,
President, Texas Rural Letter Carriers Association, Oakwood, Tex.

Mr. JOHNSTON of South Carolina. Mr. President, the committee was unanimous in its approval of the bill. It found that rural letter carriers incur an additional expense, as compared with other Government employees, by reason of the fact that they stop and start so much. They stop at every mail box, as Senators know.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC FACILITY LOAN PROGRAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the so-called Fulbright community facilities bill, Senate bill 3497.

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

The LEGISLATIVE CLERK. A bill (S. 3497) to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, 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, which had been reported from the Committee on Banking and Currency, with amendments.

DISCONTINUANCE OF PURCHASE OF DOMESTIC ZINC

Mr. MANSFIELD. Mr. President, the Office of Defense Mobilization this morning, March 31, announced that it was, as of today, discontinuing the purchase of domestic zinc under the purchase program announced about a year ago.

Purchases by the ODM during the last 4 months have been as follows:

December 1957, 10,000 tons.
January 1958, 10,000 tons.
February 1958, 8,152 tons.
March 1958, 6,000 tons.

With the heavy stocks of zinc now on hand it is reasonable to assume that there is will be a further break in the price of zinc in the near future.

Along the same line, a week ago there was a meeting of the Western Conference of Senators, in which the metal situation was discussed. I ask unanimous consent to have printed in the RECORD at this point a release from the office of the distinguished senior Senator from Montana [Mr. MURRAY] this morning, together with resolutions adopted unanimously by the Conference of Western Senators on March 21, 1958, and letters to Hon. Edgar B. Brossard, Chairman of the Tariff Commission, from the senior Senator from Montana, and the Senator from Utah [Mr. BENNETT]; also a letter to the President of the United States, signed by the chairman of the Conference, the senior Senator from Montana.

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

NEWS RELEASE BY SENATOR MURRAY

The United States Tariff Commission has been urged to expedite its report and recommendations in the pending lead-zinc tariff case by the Conference of Western Senators, it was revealed today by Senator JAMES E. MURRAY, Democrat, of Montana, cochairman of the bipartisan western group.

In a resolution adopted by the conference, Senator MURRAY said, the Tariff Commission "is urged to discharge expeditiously its administrative duties by rendering its report and recommendations in the lead-zinc case so that mockery is not made of an administrative procedure designed to avoid, as far as possible, and end distress being suffered by American industries."

The case has been pending before the Commission since September 27 of last year when the emergency lead-zinc committee of the combined industry filed its petition praying for tariff relief under the escape clause provision of the Reciprocal Trade Agreements Act.

The resolution adopted by the Conference of Western Senators declares "it is inconsistent with the intent of the Congress when it enacted the escape-clause provisions of existing laws and also against the best public interest for the Tariff Commission to require so much time to make its report and recommendations in a matter of such grave import."

The domestic lead and zinc mines have been operated for many months at greatly curtailed levels, some having entirely closed down, with thousands of workers unemployed, as a result of drastic price reductions involving both lead and zinc metals brought about, Senator MURRAY stated, "by flooding of the American market with cheaply produced foreign imports."

The resolution addressed to the Tariff Commission points out that on September 28, 1957, 2 days after the industry petition was filed, President Eisenhower communicated with the Commission and urged that the Commission take all proper steps to expedite its investigations and to issue its report as soon as consistent with a conscientious discharge of its duties under the law."

"As long ago as November 26," Senator MURRAY said, "the Tariff Commission concluded its hearings in this case. I and my colleagues feel there has been more than ample time for the Commission to reach its decision. Each day of delay sees a worsening of conditions in the industry, increasing unemployment, and crystallization of opposition to extension of the Trade Agreements Act in the absence of proper and prompt exercise of administrative procedures provided for in the act."

RESOLUTION ADOPTED UNANIMOUSLY BY THE CONFERENCE OF WESTERN SENATORS ON MARCH 21, 1958

Whereas, the Nation's domestic lead and zinc producing industries are, and have been, in increasing dire economic straits for more than a year; and

Whereas on September 27, 1957, the emergency lead-zinc committee did file with the United State Tariff Commission a petition praying for a hearing and tariff relief under the escape clause provisions of existing laws; and

Whereas on September 28, 1957, the President of the United States did address a letter to the said Tariff Commission in respect to the Lead-Zinc case, urging that "the Commission take all proper steps to expedite its investigations and to issue its report as soon as consistent with a conscientious discharge of its duties under the law"; and

Whereas on November 19–26 hearings were held by the Tariff Commission on the petition of the industry for tariff relief but so far, 4 months later, no report has been rendered in the matter; and

Whereas it is inconsistent with the intent of the Congress when it enacted the escape clause provisions of existing laws and also against the public interest for the Tariff Commission to require so much time to make its report and recommendations in a matter of such grave import: Now, therefore, it is

Resolved, That the Tariff Commission is urged to discharge expeditiously its administrative duties by rendering its report and recommendations in the Lead-Zinc case so that mockery is not made of an administrative procedure designed to avoid, as far as possible, and end economic distress being suffered by American industries.

MARCH 31, 1958.

Hon. EDGAR B. BROSSARD,
Chairman, Tariff Commission,
Washington, D. C.

DEAR MR. CHAIRMAN: Attached herewith please find a copy of a resolution addressed to the Tariff Commission which has been unanimously adopted by the Conference of Western Senators.

I earnestly urge that the Commission give the most serious consideration to the plea contained therein in the realization that ours is a bipartisan group gravely concerned with the plight of this important segment of the domestic economy, with the effectiveness of administrative procedure set up by the Congress, and the effect further delay will have on consideration of the proposed extension of the Reciprocal Trade Agreements Act.

Sincerely yours,

———,
Co-Chairman, Conference of Western Senators.

MARCH 31, 1958.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: Attached please find, for your consideration, copies of a resolution addressed to the Tariff Commission in respect to the Lead-Zinc case now pending before it, unanimously adopted by the Conference of Western Senators, and of my letter transmitting the resolution to Chairman Brossard, and of a news release by me today.

Sincerely yours,

JAMES E. MURRAY,
Chairman.

TAX REDUCTION AND UNEMPLOYMENT

Mr. DOUGLAS. Mr. President, in February some of us proposed that there be put into effect almost immediately a tax cut to release purchasing power and stimulate a revival from the recession.

We were told that we should wait until March, to see what the unemployment figures would be for that month.

In March it developed that unemployment had increased between the middle of January and the middle of February by a very large figure, indeed.

Once again some of us urged that we should immediately put into effect a tax reduction. We were told then that we should wait until the middle of April, when the census of unemployment for March 15 would be made available, and that therefore it was inopportune to put a tax cut into effect at that time.

Senators may remember, further, that the bill of the Senator from Illinois proposing a tax cut of $5.2 billion was quite unmercifully "clobbered" and defeated by a vote of 71 to 14, and that later in the day the bill of the distinguished junior Senator from Texas [Mr. YARBOROUGH] proposing a decrease in the income tax of approximately $6 billion, was defeated by almost the same margin.

It is now said that we should most certainly wait until the middle of April; and there are voices heard to the effect that we should really wait until May. I do not think it is necessary for us to wait until the middle of April to know what has happened during the month of March so far as unemployment is concerned.

UNEMPLOYMENT WORSENS FROM FEBRUARY TO MARCH

We know now that conditions went downhill between the middle of February and the middle of March. We know this fact from the weekly figures of insured unemployment, which are issued by the United States Department of Labor. The RECORD will show that in the past the Senator from Illinois has been able to predict in advance what the census figures would be for the middle of the month from the statistics of insured unemployment for that week.

In brief, in the past the number listed by the Department of Labor as amongst the insured unemployed has been approximately 63 percent of the total number of unemployed, as revealed later by the United States Census Bureau. This is because the statistics of insured unemployment do not include those in covered occupations, do not include those who are still in the waiting period, and are therefore not eligible for the payment of benefits and finally—and extremely important, Mr. President—those who have exhausted their claimed benefits and are still unemployed but are not entitled to compensation under the unemployment compensation laws.

In the past this ratio of 63 percent has been relatively steady, with some variations. Therefore, it has been possible for the Senator from Illinois from month to month to predict in advance what the figures of total unemployment would be when issued by the Census Bureau.

The Senator from Illinois predicted in February that the January figures for unemployment would be almost precisely 4½ million. Sure enough, that is what they turned out to be. In March he predicted that the statistics of the Census Bureau would show 5.2 million unemployed. Sure enough, that is what they turned out to be precisely.

PREDICTION OF MARCH TOTAL UNEMPLOYED FIGURE

I am now ready to make a prediction, several weeks in advance of the time that the Census Bureau is going to issue its figures, as to what the unemployment figure will be for the middle of March when announced in the middle of April.

I base this estimate on the fact that the number of insured unemployed rose from the 15th of February to the 15th of March by a total of 155,000, or an increase from 3,337,800 to 3,493,300, or, as I have said, an increase of 155,000. If we assume that 155,000 is only 63 percent of the actual increase in total unemployment, we get a figure which is just a little short of 250,000.

However, there is another factor that needs to be considered, namely, the fact that a larger and larger number of unemployed workers are exhausting their 18, 20, or 26 weeks of benefits, and are still out of work but do not receive benefits, and therefore are not included amongst the insured unemployed. Therefore the figure of 63 percent has probably become less and less reliable as time has gone on and therefore understates the actual increase in unemployment, which has probably grown.

PROBABLE INCREASE OF 250,000

Nevertheless, if we use it, it would mean an increase, as I have said, of around 250,000. This added to the 5,200,000, who were completely out of work in the middle of February, would give in my opinion a conservative total of somewhere between 5,400,000 and 5,550,000 persons completely out of work.

NORMALLY UNEMPLOYMENT DECREASES FROM FEBRUARY TO MARCH

This increase is in very sharp contrast with the fact that normally speaking unemployment decreases from February to March. For example, in 1957, insured unemployment decreased between the 16th of February and the 16th of March by 151,000, or a decrease in total unemployment of approximately 250,000. The normal seasonal drift therefore would be to diminish unemployment between February and March by somewhere between 100,000 and 250,000. Even if the number of unemployed did not increase from February to March, we really would be losing ground, because of the failure at this time of the year to obtain the normal seasonal increase in employment and decrease in unemployment.

Nevertheless, what happened was a very large increase in unemployment by probably, as I have said, a quarter of a million, instead of a decrease of from 100,000 to 250,000.

When we add to all of this the fact that there are several million who are on involuntary part-time employment, who would like to work a full week but who are actually permitted to work only 4 days or 3 days or 2½ days a week, and in some cases only 2 days a week, we can see how serious the present situation is.

In February the involuntary part-time workers were the equivalent of 1.2 million completely unemployed. Two men working half time equal one man completely out of work. Therefore, if we add this figure to the completely unemployed, we have a total of equivalent full-time unemployed of from 6.6 million to 6.8 million, or nearly 12 percent of those who are seeking work or who are working as wage or salaried employees.

I have again and again emphasized that in computing these figures we must not take as a common denominator the total working force, because that includes the 10 million people who are self-employed—self-employed farmers and self-employed merchants, or wives of self-employed farmers or self-employed merchants. During a recession or depression these people do not lose their jobs; they merely suffer a decrease in income. Therefore one should take not the 67 million who are in the working force, but 67 million minus the 10 million I have referred to, and in that way we get a figure of 57 million who are either wage or salaried employed or are seeking wage or salary employment, and are therefore even subject to unemployment.

Using 57 million as the denominator and the 6.6 to 6.8 equivalent full-time employment as the numerator, we get an average unemployment of around 12 percent.

NO EXCUSE TO WAIT FOR FIGURES NOW PREDICTABLE

We do not need to wait until the middle of April or the middle of May to know what is happening. The economy is slipping downhill. I hope the figures on unemployment to be issued by the Census Bureau around the 11th or 12th of April will be compared with my prediction now, 2 weeks in advance of what they are going to be. I predict that the Census figures on the completely unemployed will range between 5.4 and 5.55 million.

TAX CUT BEST REMEDY

There are two remedies that should be taken together, and at once. The first is a tax cut of not far from $6 billion, which, by releasing purchasing power and by stimulating demand, will help to build up production and employment. The right kind of a tax cut—primarily to low and middle income groups who spend most of their income and, indeed, very frequently spend more than all of their income, could take effect immediately. Furthermore, if the administrative details can be worked out, I am prepared to say that much of this tax cut should go to people in lump-sum payments.

The situation is likely to become worse every day action is delayed. We have already lost too much time. If we wait longer, it may be too late. All of us know that a tax cut is inevitable. If this is so, why wait any longer? Why not act now?

I must confess that the good folk who are afraid of inflation do not really, in my judgment, understand the situation. In the first place, the great danger which faces us now is not inflation, but severe depression, which would be the most terrible thing economically that could happen to this country.

The human misery, the loss of international prestige, and the damage to

family life and to social institutions which would be caused by widespread and continued unemployment would all be so incalculable that, in my judgment, every possible precaution should be taken to prevent all of this, if it is possible to do so; and it becomes more difficult to take preventive action with every day that passes.

INCREASED PRODUCTION OFFSETS DANGER OF INFLATION

Furthermore, our purpose in stimulating purchasing power is to build up employment, to put idle labor to work, and idle machines to producing goods which otherwise would not be produced. Hence, we would increase the quantity of goods at the same time we were increasing the quantity of monetary purchasing power. This should, at least, help to prevent, in large part, if not wholly, the increase in prices which would result from the increase in the quantity of money alone, unaccompanied by any increase in the quantity of goods. I cannot emphasize too strongly that we would be increasing the quantity of goods, on the one hand, as well as increasing the quantity of monetary purchasing power by the Government borrowing from the banks, on the other, and that the first should help to offset the latter. Because of this a tax cut need not be inflationary at all.

EXTEND AND INCREASE UNEMPLOYMENT BENEFITS

The second step which also needs to be taken, and to be taken very quickly, is to extend and to improve the benefits paid to the unemployed. Hundreds of thousands of unemployed persons have exhausted their 18, 20, or their 26 weeks of benefits but are still out of work. In every week that passes, more persons will exhaust their claims for benefits. Even those who are still drawing benefits are being paid insufficient sums, which average only about a third of their average wage.

As one who helped to write the early laws of unemployment insurance, I can say it was the original intension, when the unemployment compensation law was passed, to pay benefits equal to approximately one-half the wage received previously by the unemployed worker.

But the States have competed with one another in trying to reduce the costs of unemployment insurance and have held down the benefits by putting in weekly maximums above which benefits are not paid, and by putting in other restrictions, so that in practice the benefits average about one-third instead of the one-half which was originally designed.

In my judgment, the amount of the benefits should be raised to at least one-half.

If the statistics of the unemployment reserve funds are examined, it will be found that they total more than $8 billion at present, and are largely lying idle. A way should be found to utilize this money to protect the unemployed better, to slow down the increase in demand, and to increase purchasing power.

PUBLIC WORKS TOO SLOW

Some very good people seem to be placing their main reliance upon public works. Some of those works, such as schools, hospitals, slum clearance, low-income housing and highways are excellent in themselves. Other projects are not so worthy. There is grave danger that in the zest for public works many projects will be located in areas where there are not many persons unemployed, such as in the great open spaces, instead of in the great industrial centers, where the unemployed are congregated, and that such works will give employment to crafts, in which the present percentage of unemployment is not high.

But the chief trouble is that public works are too slow in their effects. It takes a great deal of time for plans to be drawn, for land to be purchased, for bids to be advertised, for contracts to be let, for materials and labor to be assembled, and for the work to be begun. By that time the worst may have happened. The need now is for quick, decisive action.

We have dallied too long. Time is running through our hands.

I close with a poetic allusion. Let me quote some lines which I reread last night from Shakespeare's Henry IV, in which Hotspur is getting his friends together to introduce greater liberty in Great Britain. I think the lines are appropriate also for the present times.

O, gentlemen, the time of life is short!
To spend that shortness basely were too long,
If life did ride upon a dial's point,
Still ending at the arrival of an hour.

EXTENDING THE PRINCIPLE OF THE SUPPLEMENTAL PRIVATE PENSIONS SYSTEM

Mr. MALONE. Mr. President, the purpose of S. 3415 is to encourage the establishment of voluntary retirement savings by self-employed individuals.

This would be accomplished by affording such individuals a tax deferment on a limited portion of their income set aside for their retirement. Under existing law such tax deferment is taken by employed persons whose employers have established so-called employee pension plans meeting certain statutory requirements. However, since self-employed individuals cannot be their own employees, they cannot qualify under existing legislation.

It will be recalled that the Social Security Act, which sets up a compulsory system of old-age pensions, originally applied exclusively to employed persons. Later it was extended to most self-employed persons. S. 3415 would similarly extend the principle of the supplemental private plan to the self-employed.

The President of the United States on October 24, 1952, seems to have made the best statement of this principle:

The Government is really concerned with assisting its citizens to provide savings for their old age * * * in 1942 the Government made an important supplement to the Social Security Act by legislation which offered tax advantages to corporations and their employees in the establishment of pension funds. I am thoroughly in accord with the principle of this legislation. Over 16,000[1] pension plans have been filed under this law providing more adequate security for the employees of corporations covered thereby. When this legislation was being considered, self-employed individuals were evidently forgotten. Yet they get old and sick just as other people do. There are over 10 million workers who cannot take advantage of these tax relief provisions now offered to corporations and their employees. They include owners of small business, doctors, lawyers, architects, accountants, farmers, artists, singers, writers—independent people of every kind and description but who are not regularly employed by a corporation. I think something ought to be done to help these people to help themselves by allowing a reasonable tax deduction for money put aside by them for their own savings. This would encourage and assist them to provide their own funds for their old age and retirement.

THE ECONOMIC ASPECTS OF S. 3415

Extensive analysis of the economic impact of legislation encouraging self-employed voluntary retirement plans has been obtained by the authors of H. R. 910, the so-called Jenkins-Keogh bill. During recent hearings before the House Committee on Ways and Means, Dr. Roger F. Murray, associate dean and adjunct professor of finance, graduate school of business, Columbia University, summarized his own conclusions, as well as those reached independently by the tax foundation, of which the Honorable Roswell Magill, former Under Secretary of the Treasury, is president; Dr. Jules I. Bogen, professor of finance at the graduate school of business administration, New York University, and a former editor of the Journal of Commerce; and Dr. James A. Close, professor of finance at Syracuse University.

Obviously, Dr. Murray's conclusions apply equally well to S. 3415. Here is what he had to say then:

As you are aware, the proposed Self-Employed Individuals' Retirement Act is designed to reduce a clear inequity which operates against working for oneself. The inequity arises in the making of provision for retirement income. Some 14 million people employed in private industry are seeing pension benefits accumulated for them through qualified plans under which their employers are quite properly permitted to deduct contributions from corporate net income subject to the Federal income tax. Eventually, of course, the employees will pay a tax on the pensions which they receive, but in the meantime there is a substantial tax deferral.

The self-employed, conservatively estimated at some 7.5 million people, on the other hand, must do whatever saving they can out of net income after taxes. In their role of employers themselves, they cannot deduct provision for retirement from whatever income their activities produce. This bill is designed to correct this situation to a limited extent. Under its provisions a self-employed individual would be allowed to deduct each year a retirement deposit amounting to 10 percent of his net earnings or $5,000, whichever is less. There are special provisions for individuals over 50 and for carrying forward unused deductions. No individual covered under a public or private pension plan would be eligible. This is the substance of the proposal, without going into any of the more technical aspects.

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[1] Now about 23,000. There has been a 150 percent increase in employer-employee pension plans in the past decade.

The person who wishes to work for himself, and yet provide for his old age, through his own efforts, would be afforded an opportunity to do so, not on a preferential basis, but simply on the valid grounds that he is in a very real sense an employer of his own talents and energies. We are talking about several large groups: farmers, small-business men, and professional people, such as doctors, lawyers, accountants, engineers, scientists, dentists, druggists, and so forth. All of them are making important contributions to our economic and social life as individual enterprisers; none of them should have economic pressures applied to make them seek employment from others.

The independent scientist or engineer, for example should be afforded every opportunity to make his contribution to the present emergency without being required to seek employment from others in order to save more effectively for his future. In highly personalized activities such as legal and health services, there is surely no intention to discriminate against partnership or individual career efforts. Yet this is what we are doing under present arrangements.

Correction of the existing inequity is long overdue. The temptation however, is to postpone action in view of the current narrow margin of receipts over expenditures and the probability of rising expenditures for national security. I submit that there are at least three good reasons for action now:

1. There is no immediate prospect for a comprehensive tax relief measure in which this proposal might be incorporated. Yet it deserves a high priority in our thinking as we strive for equity and equality of opportunity. In the meantime, we do not hesitate to ask these independent, enterprising citizens to make a full contribution of their energies to the growth and strengthing of our economy.

2. This kind of a provision takes a long time to become fully effective. The bill is only enabling legislation, in a sense; it does not automatically make available the arrangements for a single individual to make his retirement deposit. The needed facilities require time and effort for their development. Even a widespread understanding of the bill's provisions would require months of educational work. We are probably talking about 1960, before really large numbers of the self-employed would know how or where to make a retirement deposit. There is nothing quite like making a start on this kind of a complex arrangement.

3. Finally, the loss in current tax revenues represented by the tax deferral would be very modest for several years. The reduction of this inequity would not materially affect revenues. The tax deferral for the current calendar year might be well under $100 million.

The grounds for my first two reasons are self-evident; but the third one requires substantiating facts, particularly in the face of the Treasury Department estimates that the loss in current revenues might run up to $430 million. These are matters of opinion; and I cannot argue that several years from now, this might not be a reasonable measure of the tax deferral. But I do suggest that the prospects for the first year or two or three are much less threatening to the budgetary situation.

My position is based on observation of savings trends over a long period of years. Habits are slow to change. Inertia is strong. New savings programs, with or without tax advantages, require facilities, convenience, and promotion. Let me illustrate. Just 4 years ago, the New York Stock Exchange devised its monthly investment plan to encourage more people to buy common stocks in small amounts as a form of systematic saving. Despite aggressive advertising and promotion, only 65,662 accounts were in existence at the end of 1957, and only $80 million had been invested. This does not prove that the New York Stock Exchange had a poor idea, or that the plan will never grow to large proportions. It simply proves that any new savings plan takes years to develop, even if it has convenience and promotion. After all, it took 100 years and wartime inflation to produce a peacetime growth rate of $1 billion a year in mutual savings bank deposits. Yet the top deferral estimate of the Treasury Department assumes retirement deposits of $1 billion or more.

This lethargy is taking advantage of new savings opportunities has to be overcome by the aggressive promotion of convenient facilities. Eventually, we can visualize that the large corps of life insurance salesmen would be equipped with restricted retirement policy offerings. But first the contracts must be developed and checked against Treasury regulations. Then the salesmen must be trained to explain them, and the home office prepared to service them. Equally time consuming will be the preparations of banks to establish restricted retirement funds on a broad scale.

As the facilities become widely available, backed by strong educational and promotional efforts, the extent of participation becomes a function of net earnings of the self-employed and the availability of liquid assets. The Treasury Department estimate assumes that actual deductions will range from 15 percent of the maximum for taxpayers with less than $3,000 of income to 66⅔ percent of the maximum for those with incomes in excess of $20,000. If this high rate of participation were achieved in less than 5 years, it would probably represent the most successful savings promotion in history, but the argument runs that the tax advantage would produce some such response. The assumption apparently is that liquid assets would be shifted from other savings mediums in large amounts.

This assumption is open to serious question on several grounds. Liquid assets required in the business or profession are not available. Emergency funds and reserves will not serve these purposes in a restricted retirement fund. Making the retirement deposit means relinquishing investment management of the asset. For younger individuals saving motives other than retirement bulk larger, notably the needs of the business, home ownership, life insurance protection, etc., so that the tax saving is by no means an exclusive consideration.

If the most likely first participants in self-employed retirement programs would be older persons, we should observe that the period of tax deferral would be materially shortened. Their withdrawals after age 65 would start being taxed by the time widespread participation was obtained from younger age groups. In a very real sense, then, we are considering a slowly moving thrift program which eventually would gather real momentum and produce a broad equalization of opportunities to provide for retirement as between the employed and the self-employed.

Basing my opinion on the pattern of behavior so clearly shown by other savings programs in their early years, it is my considered judgment that the near-term tax deferral of current revenue loss involved in H. R. 9-10 is most unlikely to exceed $100 million. This seems like a very modest price to pay for the adjustment of an inequity to an important group of our citizens who can, over a long period of years, make an important contribution to the vital savings stream as one aspect of their continuing effective participation in our society. The need for a high and steady flow of savings for growth without inflation will be directly served by this step in the removal of the existing inequity to the self-employed.

WE NO LONGER CAN AFFORD TO HOBBLE INDIVIDUAL INITIATIVE

Mr. President, it is not a novel thought for us to mention that sputnik points up this Nation's need for enterprise. One need only pick up a daily newspaper to read about the various proposals which have been advanced for the Federal Government, State, and local governments, industry and educational institutions to meet this requirement.

What kind of people do we want in America to meet the Soviet challege? Do we want a reasonable percentage to be strong, self-reliant individuals with initiative, push, and determination to succeed by their own efforts?

Mr. President, the answer is obvious: It is not enough to aim at fitting our youth only for a particular niche in an economic machine. It is vital to America to encourage self-reliance and individual enterprise.

In the early days of this country, it was men with these qualities who made the Nation great, who drafted the Constitution, who conquered the wilderness and won the West. If we still want to develop this breed, the Government must see to it that each citizen has a fair opportunity to succeed in a career in which he can most fully express his talent.

His choice should not be restricted, for example, by tax inequities or economic hazards resulting from discriminatory legislation which favors one group over others.

Mr. President, the stimulating drive which serves to keep the Nation's highly-capable self-employed scientists, engineers, and technological specialists mobile and adaptable is the constant need to solve diverse problems in a variety of ways or methods. Such technological versatility is essential to America today. Yet, unless specialists such as these are willing to go on a corporate or Government payroll, they must subtract from purely creative endeavor a substantial amount of time and energy to obtain some equivalent of that personal security which is the statutory right of even the shipping room clerk in a corporation.

Mr. President, this is true for all self-employed professional individuals: They must assume many of the risks of business while at the mercy of heavy progressive income taxes which leave no means for establishing reserves adequate to average out the bad years, the catastrophic periods—whether attributable to economics, illness, or old age.

CONCLUSION

First. A discrimination in the tax law cannot morally be perpetuated indefinitely when a just and economically-defensible revision of the law is available. S. 3415 would revise the tax code to accomplish a long overdue adjustment of this inequity.

Second. Since the Government recently indicated its readiness to foster education and opportunity for those of its citizens who are not merely seeking jobs and job security, but rather opportunities involving heavy moral and intellectual responsibilities, let it adjust its tax system in such a way as to re-affirm its faith in individual enterprise, self-reliance and thrift.

Third. Advocacy of S. 3415 in effect is asking endorsement of a limited but essential program of capital formation for old age security, through incentives applied to one broad classless area of the

economy to which in equity it should be applied. The current and long-term benefits of a disciplined formation of new capital, channelled via the fiduciary agents of banks and insurance companies—as provided in this bill—into the economic arteries of industry, trade, and construction, means growth in productivity. The State of the economy today requires disciplined stimulation of the machines of production.

Fourth. The benefits of legislating equity at a time when the immediate economic impact will be desirable, and the long-term impact non-inflationary, vastly exceed the temporary and slight effect on Government revenue entailed when the collection of the relatively modest amount of current taxes involved in S. 3415 is deferred to subsequent years.

Mr. President, this proposed legislation, S. 3415, would encourage individual initiative and simply defer the payment of taxes through individual savings.

The bill provides that 10 percent or $5,000, whichever is lesser, of the self-employed income may be set aside for individual security.

During the delivery of Mr. MALONE'S speech,

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

Mr. MALONE. I am happy to yield, with the understanding that the colloquy will appear at the conclusion of my remarks.

Mr. COOPER. I compliment the distinguished Senator from Nevada on the initiative he is taking on trying to provide a system which will assist a group of people who, so far as I know, are not taken care of or considered in any way. Am I correct in my understanding?

Mr. MALONE. The Senator is correct. Furthermore, with respect to those who, at least on paper, are taken care of, still, because of their low incomes—the amount set aside is not adequate. If they see fit, out of whatever earnings they may have to supplement social security, then by deducting 10 percent or $5,000, whichever is lesser—the amount is limited in the bill—they may deduct the amount from their net income before taxes, and supplement their security for old age.

Mr. COOPER. Knowing the philosophy of the Senator from Nevada and of his real concern for the individual's initiative and enterprise, I am certain, too, that he is thinking of the interests of those who risk their own resources and their own work.

Mr. MALONE. The Senator is correct. In their positions as physicians, architects, or engineers, and many other occupations or professions, they are self-employed. Furthermore, those who are covered cannot augment their retirement security under existing law. In the present system they are deprived of setting aside retirement funds as had formerly been the almost universal custom.

I believe that in addition to the obvious fairness of this proposal, it will encourage individual initiative to the point where such persons can look forward to a more comfortable old age.

If such a procedure could have been initiated in the beginning I doubt that it would have been necessary for the Congress to pass many of the now operative social security bills.

In any case I believe this proposal, if enacted into law, would close the gap.

Mr. COOPER. Mr. President, I wish to congratulate the Senator from Nevada on his creative efforts in connection with this subject.

Mr. MALONE. I thank the Senator from Kentucky. I hope the job can be done this year.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 31, 1958, he presented to the President of the United States the following enrolled bills:

S. 1082. An act for the relief of Katina Opostolou;

S. 2062. An act for the relief of Yasna Trevizan; and

S. 2124. An act for the relief of Tasia J. Somas.

RECESS

Mr. MANSFIELD. Mr. President, under the order previously entered, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 18 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Tuesday, April 1, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 31, 1958:

DIPLOMATIC AND FOREIGN SERVICE

Walter Howe, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Chile, vice Cecil B. Lyon.

UNITED STATES ATTORNEYS

J. Leonard Walker, of Kentucky, to be United States attorney for the western district of Kentucky, for a term of 4 years. (Reappointment.)

Louis Gorman Whitcomb, of Vermont, to be United States attorney for the district of Vermont, for a term of 4 years. (Reappointment.)

George Edward Rapp, of Wisconsin, to be United States attorney for the western district of Wisconsin, for a term of 4 years. (Reappointment.)

UNITED STATES MARSHALS

Cedric E. Stewart, of Nevada, to be United States marshal for the district of Nevada, for a term of 4 years. (Reappointment.)

Ray H. Schoonover, of Wisconsin, to be United States marshal for the western district of Wisconsin, for a term of 4 years. (Reappointment.)

UNITED STATES ASSAY OFFICE

Howard F. Johnson, of New York, to be assayer of the United States assay office, New York, N. Y., to fill an existing vacancy.

IN THE NAVY

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the line of the Navy, subject to qualifications therefor as provided by law:

Byron R. Adams
John N. Adams
Milton E. Adams
Roy W. Adler
James W. Adolphson
David R. Albert
Harrison B. Albert
Francis L. Alkov
Albert M. Anderson, Jr.
Douglas H. Anderson
George L. Anderson
Kenneth E. Anderson
William A. Anderson
Donald Andries
Jack M. Aronson
Robert O. Artner, Jr.
Robert F. Asleson
Harold E. Atherly
Lawrence H. Axtell
Hubert F. Babinski
Bruce C. Bailer
Richard C. Bailey
Richard J. Baker
Benjamin G. Baldwin
William L. Ballard
John A. Barbe
Henry F. Barbour
Michael G. Barbour
Curtis L. Barrett
Gary D. Barry
John R. Barry, Jr.
Thomas C. Bartholomew
John H. Barton
Philip B. Bass
Paul R. Battenberg, Jr.
Erwin J. Baukus
Gerald T. Baynes
Thomas J. Beadles
Barton D. Beamer
Arnold R. Beath
Michael F. Beausang, Jr.
Paul B. Beckwith
George J. Beerling, Jr.
David H. Beitz
David E. Belcher
Richard H. Bell
Donald E. Bellis
James T. Benham
Kenneth A. Berg
Peter E. Berg
Peter A. Bergan
Howard R. Berkenstock, Jr.
Harold J. Bernsen
Viggo C. Bertelsen, Jr.
John W. Best, Jr.
Donald J. Biondo
Robert A. Bitting
George "L" Blackburn
Harry L. Blackburn, Jr.
David L. Blackistone
Bruce I. Blackwell
John R. Bliss
Donald J. Blom
Philip M. Boffey
William R. Boie, Jr.
Robert S. Bolinger
Robert N. Bolster
Clyde Bomgardner
Robert J. Bond, Jr.
David E. Borcik
William J. Bower
Howard A. Bowles, Jr.
William M. Boyer
Ronald A. Boyle
David H. Bradley
Walter S. Brainerd
Lyle F. Branch
John P. Brandel
Benny R. Breed
John F. Breidenstein
Adam Briggs
James E. Brinkworth
Arthur C. Broadbooks
James F. Brooke III
John W. Brooks, Jr.
Albert H. Brown
Richard C. Brown
William W. Brown
Robert B. Brownell
Robert E. Browning
Danny J. Brunner
Richard D. Bugbee
Raymond A. Burchell
George D. Burck
Frank E. Burgess II
John M. Burns, Jr.
Robert E. Burns
Larry K. Burr
Thomas D. Burson
James W. Byrer
Michael J. Cahill
John F. Calvert
Robert J. Cameron
James R. Camper
Denny B. Cargill
Conrad D. Carnes
Charlton H. Carpenter
Charles P. Carroll
Jere S. Carter
William L. Carter
Norman L. Cervenka
John D. Chamberlain
Charles H. S. Charlson
Robert Christensen
Newton T. Clark, Jr.
Thomas B. Clark
David Clements
Joseph K. Cobb
John M. Cochran
William F. Coellen, Jr.
Vincent A. Coghlan, Jr.
Edward G. Conroy
John M. Conroy
Timothy P. Cogan
Henry G. Coors IV
Arthur J. Copeland, Jr.
Robert A. Cornell
Robert A. Cousins
David T. Cowdrill
Philip P. Cox
John J. Craft
Peter W. Crane
Lawrence R. Crawford
Albert H. Creasy
Eugene H. Crew
Arthur O. Cromer
Denny D. Culbertson
Paul T. Cunningham
Edwin L. Currey, Jr.
Wayne Curtis
James B. Cushman
Rolfe Cuthbert
William E. Dahl
Allen R. Darbonne
Jack N. Darby
John A. Davidson
William Davies
Chester C. Davis
Richard L. Davis
Donald C. Davison
Dexter B. Dawes
Francis X. Delany
Richard J. Delvecchio
Robert T. DeMarco, Jr.
Harry E. DePass III
Daniel A. Desko
John T. Detrick
Robert T. Dewey
Richard D. Dickson
Terry R. Diebold
Charles H. Diedrich
William H. Dietrich
Alfred S. Dittrick
Paul E. Dodson, Jr.
Henry H. Doerfling
Richard E. Donnelly
William E. Dotterweich
Max C. Downham
Ralph B. Draughon, Jr.
Gerald E. Drews
Peter B. Dunbar
Donald G. Duncan
Larry N. Dumas
Frank C. Durham
Richard B. Duxbury
Michael deH. Dwyre
Glenn B. Eades
William L. Earley
David G. Eaton
Roland J. Ehlers
Harvey A. Eikel
Thomas R. Ellinor
Jerry G. Elliott
Harold L. Emmons
Walter P. Engel

Anthony E. Erbacher
Allen W. Erickson
Bruce T. Erickson
Neil K. Evans
Edward H. Everett
Peter H. Feldhausen
Louis J. Felstiner, Jr.
John N. Fendley
Paul P. Fidler
William G. Fink
Harry K. Fiske
Samuel H. S. Fleming
Carl O. Foley
Lawrence M. Foley
Kenneth N. Folgers
William C. Forwood
Paul C. Fossett
Michael A. Fox
Charles L. Fritz
Duane L. Furan
Larry L. Gaines
Patrick R. Gallagher, Jr.
Paul R. Galloway
David R. Gansel
Warren L. Gay
Robert G. Geil
Charles H. George
Bernard F. Gessner, Jr.
Richard B. Gibson
Richard J. Gilinsky
Lawrence P. Gise, Jr.
Maurice Glatzer
Walter H. Glenn
Frank J. Gloeckner III
Harold R. Godschalk
Gregory E. Gollnick
Alan G. Goodridge
James J. Goodwin
David S. Gorham
Fred J. Gosebrink
Michael T. Goss
Richard F. Gottlieb
Robert S. Goulding
Denny L. Graham
John R. Griffin
Robert S. Griffin
Samuel M. Griffin, Jr.
Walker A. Griffin, Jr.
Michael R. Griffinger
Jacob Grossbaum
Walter D. Gundel
Gerald J. Gustafson
Ernest V. Haag
John A. Hagan
Gaylord T. Hageseth
Richard A. Haggard
Richard H. Hahn
Barry S. Haigis
Jack P. Hailman
Joseph V. Hajek
Robert E. Hall
David L. Hanna
Myles Hannan
Haywood H. Harrell
Harland D. Harris III
Joseph W. Harrison, Jr.
William D. Hartley
David D. Harvey
Thomas G. Harvey, Jr.
David S. Harwood
Marshall D. Hastings
Donald D. Hatler
Paul E. Heath, Jr.
Alger R. Heck
Eric M. Heilman
James R. Held
Norman L. Helgeson
Rodger R. Hemminghaus
Robert J. Hendershott, Jr.
Arnold H. Henderson
Oliver C. Henkel, Jr.
James B. Henris
Guido R. Henry, Jr.
Michael D. Herb
Milton T. Herrin
Ronald A. Hess
Robert L. M. Hetland
William M. Hewitt
Curtis C. Higgins
Frederick A. Hines
Rubert Hines, Jr.
William S. Hodgkins
Jan C. Hoeffel
Charles D. Holbrook
George M. Holderness
Floyd H. Hollister
Roy F. Hollister
William J. Holloway
Edwin J. Holm
Bernard J. Holtel
Richard W. Homuth
Jae E. Hopkins
Thomas S. Hopkins
Leslie J. Horn
Craig Hosterman
Gary W. Howe
Bruce W. Hoyt
Rudolf Hradecky
Finley N. Hubbard, Jr.
Thomas K. Hubbard
Robert M. Hudnall
Charles F. Hughes
Alan G. Hunt
Billy D. Hunter
Stuart L. Huntington
John M. Husted
Peter A. Hutchinson
Lawrence W. I'Anson, Jr.
Arthur R. Immel
David L. Irons
Joe R. Irwin
Kermit J. Jackson
Paul F. Jackson
Thomas P. Jackson
Richard E. Jacobsen
Robert T. Jacobsen
James W. Jaeger
Albert J. James
Peter A. Jamgochian
Russell L. Janney
Jan L. Jansen
Thomas L. Janson
Thomas C. Jetton
Arthur D. John
James J. Johnston
Richard C. Johnston
Frederick O. Jones
Gerald E. Jones
Harry L. Jones
Robert A. Jordan, Jr.
Roland E. Juhala
Dale W. Junta
Edward P. Kadingo
Reuel S. Kaighn, Jr.
Edward J. Kaiser
James J. Kallal
Leo P. Kane
Rodney K. Kauber
Richard G. Kauffman
Alan J. Keller
John B. Kelly
Gary S. Kent
Philip S. Kent
Donald C. Kerby
Kenneth H. Kingston
James M. Kinney
Harold R. Kinsman, Jr.
James E. Kinter
William N. Klorig
Ralph F. Kneeland
Joseph G. Kneuer
Larry S. Knudsen
Fred D. Kobylarz
Arthur H. Koch, Jr.
Gilbert G. Kosup
George Kotsonis
Lawrence H. Kovach
Harold W. Kramer, Jr.
William V. Kriebel
Harold Krieger
William C. Kriz
William C. Krommenhoek
Jerome A. Kuechmann
Francis A. Kuligowski
Daniel K. Lamont
John D. Landers
Harlan L. Lane
Robert G. Langhauser
Clifford L. Laning
John W. Larson
Robert G. Lauson, Jr.
Byron J. Lawler
Richard M. LeCour
Howard N. Lefkowitz
Alton M. Lee
Richard H. Lee
James H. Lenden, Jr.
William H. Leslie
Vincent J. Leszcynski
Paul J. Levine
Jack F. Lewis
Robert T. Lewis
Robert B. Lillie
Robert B. Livy
Clarence E. Lobb
Robert S. Logan, Jr.
George T. Long
David W. Loomis
Bruce C. Lorig
Stephen S. Lottridge
Robert I. Low
Arthur F. Lubke, Jr.
Donald T. Lunde
William T. Lynch
Donald J. McBryan
James R. McCartney III
William F. McDonald
James W. McFarlane
Charles B. McFee III
George F. McGrath, Jr.
John J. McGroarty
Terence J. McHugh, Jr.
Elmer L. McIntyre III
William H. McIntyre
William L. McLees
Joseph C. McMillan
James J. McNamara
William W. McNeary II
Gary E. MacDougal
William J. MacKnight
William V. MacNabb
Jerome T. Madden
David M. Maher
Stuart T. Maher
Carl C. Mahnken
Jon M. Mann
Stanley P. Mann
Frank L. Marek
Arnold D. Marsh
Robert B. Martin
Robert L. Marx
Harland E. Mathews
Thomas K. Mattingly II
Franklin D. Mayfield, Jr.
Richard E. Meese
John P. Melton
Allen G. Menke
Peter J. Mercier
William A. Merritt, Jr.
Karl R. Messner
Daniel J. Michl
Harold L. Midvelt
Joseph J. Milkovich
Aloysius R. Miller
Don H. Miller
Michael C. Miller
William A. Miller
Robert D. Milne
Robert W. Miner
Franz H. Misch
Jimmy R. Moberg
Michael J. Moloney
Robert C. Monroe
Thomas W. Moody
James D. Moore
Floyd E. Moreland
Hubert A. Morgan, Jr.
David Moros
Curtis W. Morris
Rogers A. Morris
Orrin L. Morrison
Robert L. Moser
Donald E. Mosman
George E. Mott III
Walter A. Moulton
John J. Moynihan
Brendan D. D. Mulhall
Michael P. Mulhern
Marvin E. Mulligan
Robert E. Murch
John R. Murphy
Martin R. Murphy
Phillip R. Myers
Thomas S. Nagel
Rodney D. Neal
Fred A. Nelson
Paul Nelson, Jr.
Peter J. Nelson
Gregory L. Nesbitt
Eugene L. Nichols
Clyde G. Nixon
John H. Horton
David A. Nourse
John M. Oakey, Jr.
William B. Oates, Jr.
Andrew O. Oberhofer, Jr.
Charles F. O'Brien
William E. Oddy
James A. Offutt
David B. O'Hearne
Peter B. Olsen
William A. Olson
Robert L. O'Mara
Edward A. O'Neal
Jay R. O'Neil
William A. O'Neil
David G. Opheim
Francis M. O'Regan
Peter H. Ostrander
Valentino Ottaviani
Carl H. Otto
William E. Owen
Richard L. Page
William F. Palmer
Stanley T. Pardo
Robert C. Parker
David F. Parrish
Thomas D. Parrish
Kenneth J. Patrick
James W. Peacock
Michael A. Pearce
James H. Pehling
Lawrence E. Pelton
Lawrence A. Penny
George T. Phelps
Robert W. Phillips, Jr.
Allen J. Pierce
Patrick A. Pisano
Gary R. Poe
Richard W. Pooley
Richard E. Poppele
Frederick C. Powell
Richard M. Powers
Gordon O. Prickett
Robert R. Proctor
Ronald W. Pyle
Richard D. Quealy
Richard H. Quinn
Theodore E. Raab
Don W. Rain
Bruce D. Rasmussen
James P. Redgate
James W. Redmond, Jr.
Herbert H. Reed, Jr.
Roberts V. S. Reed
William A. Rehder
Francis M. Reiter, Jr.
John H. Reohr III
Robert H. Reynolds
Connie E. Richard
William H. Richardson
Thomas J. Ritch
Michael J. Roberts
Michael M. Roberts
Kenneth G. Robinson
Malcolm W. Robinson, Jr.
Charles C. Rodeffer
Terrence R. Rogers
Paul B. Romans
Nicholas E. Romito
Carl M. Rose, Jr.
Robert S. Rosen
Harold M. Ross
Charles E. Rossi
James Rounds IV
Gerald S. Rourke
Robert H. Rozendal
Richard E. Rudolph
Robert W. Rufe
Byron D. Ruppel
Harold A. Sabbagh
David B. Sanderson
Edward P. Scanlon
Thomas P. Scanlon, Jr.
Carl W. Schafer
Stephen L. Schloss
Ronald A. Schmaedick
Michael Schoettle
David E. Schricker
Stephen F. Schroeder
Charles C. Schueppert
Robert F. Schultz
James H. Schulz
Ronald J. Schupp
David G. Scott
John W. Scott, Jr.
Raymond W. Sears, Jr.
Ralph L. Seger, Jr.
Benjamin S. Seigel
Edward A. Selby
Joel S. Sexton
James O. Shannon
Sidney H. Shaw
Harold D. Shepherd
John E. Sherman
David L. Short
Robert A. Shriver
Edward L. Shuford III
Howard D. Sims
George A. Sissel
Charles C. Slay
Tim E. Smallwood
Charles R. Smith
Nepier V. Smith
Russell A Smith
Thomas W. Smith
Vance A. Smith
John H. Snader
Joel A. Snow
Danford D. Snowden
Edwin A. Soast, Jr.
Warren R. Solberg
Henry J. Sommer, Jr.
Charles W. Soules
John P. Spanbauer
Winthrop J. Spence, Jr.
George B. Spilios
Gordon P. Sprague, Jr.
Wendell K. Stackhouse
William W. Standen
Charles H. S. Stanton, Jr.
Thomas C. Stapleford
Robert L. Stapleton III
Barry P. Steed
Robert H. Steele
Charles E. Stenard
Harold I. Sternberg
Martin Stitelman
Georges C. St. Laurent, Jr.
Richard S. Stoddart
Ralph W. Stoll
John F. Stonhouse
William A. Stott
William W. Storey
Edward K. Strom
Warren W. Sullens
Donald K. Sullivan
Vincent E. Sullivan
Carl R. Summers
Royal R. Swanson
Larry K. Talbert
Robert L. Tarte
James R. C. Taylor
Leonard G. TenEyck
Allan R. Tessler
Charles R. Tevebaugh
John O. Thies
Robert H. Thompson
Thomas C. Thompson
Thomas N. Thrasher
Thomas J. Tierney
Joseph E. Tope
Robert C. Traylor
Cecil M. Truluck, Jr.
Thomas O. Trumbull
William A. Truslow
James W. Turner
Gary F. Underhill
Dennis R. Vail
Garrett M. Van Wyk
Robert E. Voegtlin
Gary L. Wachter
George E. Walker, Jr.
John O. Walstad
John W. Walz
Leo C. Wardrup, Jr.
Harry B. Wareham
John M. Wareham, Jr.
David G. Warren
Thomas L. Wasmund
Robert E. Weaver
John D. Webster
Richard A. Wedemeyer
Jerry "S" Weissburg
Larry J. Welch
Stephen W. Welch
George A. Weller
Richard H. Weller
Wallace L. Weller
William C. West III
Henry F. Whalen, Jr.
James J. Whalen
Clayton E. Whiting, Jr.
Derrill G. Whitten
Sherrill D. Whitten
Wallace G. Wilder
Merritt O. Wilkins, Jr.
Jack C. Williams
David S. Willis
Richard A. Wilson
Stewart D. Winn, Jr.
Richard L. Wisniewsky
Donald A. Wolfskill
Leland E. Wood, Jr.
Bruce M. Woodworth
Robert F. Worley
James C. Wray
David D. Wright
David J. Wright
Donald L. Wright
Robert L. Wright
Rex D. Wulfhorst
Kenneth E. Wylie
Delmar D. Young
Peter T. Young
Stephen G. Young
Ronald P. Zwart

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

John "E" Barnes III
Harold E. Berry
Richard W. Calhoun
Jackie R. Cooper
Alan M. Craig
Robert N. Davies
Jay F. Edmondson
Samuel R. Harrell
William A. Hirsch
Robert C. Holt
Ronald G. Hoopes
William G. Jones

Raymond W. Mayer
George A. Olson
John D. Palmer
Homer E. Paris III
Hal B. Powell
William H. Redding, Jr.
Edmund D. M. Schachner
Mark S. Smallwood
Clifton R. Snodgrass
Jack H. Stutts
Jose J. Suarez
James G. Tierney
Thomas H. Upton, Jr.
Ralph W. Varnum
Miles B. Welter

The following-named Reserve officers to the grades indicated in the Medical Corps of the Navy, for temporary service, subject to qualifications therefor as provided by law:

To be lieutenant commander

Frank "R" Preston

To be lieutenants

Robert F. Barnett, Jr.
Thomas B. Beach
William H. Fagan
Fred W. Grello
Tommy S. Kent
Joseph D. Lee
Arthur E. Mukomela
Marion K. Neugebauer
James H. M. Thorp

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 commanders

Newton W. Allebach
Victor G. Benson

To be lieutenants

Thomas Arana
Henry A. Baer
John W. Balay
James J. Chandler
Maurice H. Connors
Quintous E. Crews, Jr.
James K. Drennen, Jr.
Ray A. Dubeau
Ralph G. Ellis, Jr.
Edgar J. Filson
Charles M. Gluck
Arthur J. Grote
Ralph Jacobsen
William L. Jeffrey
Charles V. Kachel
Eugene H. Kagan
Thomas M. Kennedy
Frank "R" Preston
Edward J. Quinlan
Raymon S. Riley
Roscoe A. Rossi
Clifford T. Rotz, Jr.
Robert M. Runge
Richard R. Ryan
Darrell J. Smith
Victor L. Stotka
Bruce A. Talmadge
Walter L. Taylor
Thomas L. Thomason
William A. Welton, Jr.

To be lieutenants (junior grade)

Robert F. Barnett, Jr.
Thomas B. Beach
William H. Fagan
Fred W. Grello
Tommy S. Kent
Joseph D. Lee
Arthur E. Mukomela
Marion K. Neugebauer
James H. M. Thorp

Charles G. Evans (civilian college graduate) to be a lieutenant in the Dental Corps of the Navy, subject to qualifications therefor as provided by law.

The following-named Reserve officers to the grades indicated in the Dental Corps of the Navy, subject to qualifications therefor as provided by law:

To be lieutenants

June L. Cox
Ronald G. Granger
Richard D. Prince

To be lieutenants (junior grade)

David W. Kunkle
Charles L. Marcantoni
Frederick B. Williams

The following-named Reserve officers to grades indicated in the Dental Corps of the Navy, for temporary service, subject to qualifications therefor as provided by law.

To be lieutenant commander

June L. Cox

To be lieutenant

David W. Kunkle
Charles L. Marcantoni
Frederick B. Williams

Lyman H. Reeves, United States Navy, retired officer, to be a permanent chief warrant officer, W-3, in the United States Navy, pursuant to title 10, United States Code, section 1211, subject to qualifications therefor as provided by law.

The following named officers to be lieutenants (junior grade) in the Medical Corps of the Navy and to be promoted to the grade of lieutenant when their line running mates are so promoted, subject to qualifications therefor as provided by law:

Benjamin L. Aaron
Frederick L. Austin, Jr.
Paul W. Axe, Jr.
David W. Bailey
William A. Bartlett
John C. Baxter
Matthew K. Becker
William R. Beckman
David R. Belevetz
Carl R. Bemiller
Juanedd Berry
Frank S. Billingsley
Harry H. Bird, Jr.
Robert C. Black
Sidney M. Blair
Bernard R. Blais
Joseph D. Bloom
Ronald J. Bracken
John W. Brackett, Jr.
Ralph F. Brandon
Richard R. H. Brock
Jess W. Bromley
Robert T. Brooks, Jr.
James R. Brown
Stuart L. Brown
Matthew I. Bucko, Jr.
William M. Calhoun
Ralph J. Cannard
Joseph R. Castro
Francis J. Caulfield, Jr.
James J. Cavanagh
William J. Cavin, Jr.
Matthew J. Cerny, Jr.
Charles C. Ching
Samuel S. Clark
James C. P. Collier, Jr.
Robert F. Coniff
George A. Conkey
Jule T. Connolly
Roger C. Cook
Conrad L. Cooper
Charles E. Cummings
John E. Cunningham, Jr.
John C. Dalco
Milton C. Dewhirst
Donald M. Dill
Neil G. Diorio
Robert G. Dolan
Robert T. Dooley
David E. Ducker
Elmore E. Duncan
Norman A. Erie
Richard E. Eshbach
Robley D. Evans
Billy G. Farmer
Thomas L. Fieldson
Carney Fitzgibbon, Jr.
James V. Flack, Jr.
Edward E. Freeman
Dee L. Fuller
Alexander N. Gansa
Kenneth A. Gill, Jr.
James E. Goddard, Jr.
Terry H. Goff
Donald M. Gragg
Charles A. Graham
John P. Griffin
Wayne I. Halleen
John R. Hazel
Harold H. Hedges III
Alan K. Hendra
John H. Herring
Warren W. Hodge
Donald E. Hoffman
Bob Hoke
Henry L. Holderman
Arthur H. Holmboe
Herbert G. Hopwood, Jr.
Philip C. Hughes
Frederic G. Jones
William S. Kelley, Jr.
Billy D. Kennedy
John D. Kern
Garner F. Klein
John E. Kostinas
Kent Kyger
Jesse E. Lang
Ralph J. Langsjoen
Gordon D. Larcom, Jr.
Peter P. Lawlor, Jr.
George M. Lawton
Kenneth L. Learey
Jerome Levy
Richard A. Lockwood
Virginia A. Long
Francis A. Lovecchio
Rodney I. MacDonald
John C. MacLennan
George F. Martin, Jr.
George W. Mathews, Jr.
Thomas J. McGillis
Edward M. McGowan, Jr.
Thomas P. McGrory
James A. A. McIntyre
William H. McMicken
Raymond J. Merchant, Jr.
John R. Miewald
Mario C. Miranda
Francis K. Moll, Jr.
Robert I. Morgan
Wallace R. Mullins
Samuel N. Neel
Patrick S. O'Halloran
John M. O'Lane
Charles W. Ochs
George W. Oden
Robert L. Olson
Larry K. Page
Ralph R. Palumbo
Charles F. Payne, Jr.
Milton L. Payne
Howard W. Pettengill, Jr.
Darwin D. Phillips
Harry S. Pollard, Jr.
John A. Puk
Louis U. Pulicicchio
Robert V. Rack
Glenn H. Randall
Karl J. Reckenthaler
Charles R. Richardson
Robert E. Rigsby
Berkley L. Rish
Donald R. Rogers
Donald W. Rohren
Roger S. Roof
Samuel F. Rudolph, Jr.
Harold E. Rumbel
Joseph A. Russotto
Charles R. Sargent
William H. Schumacher
Richard G. Sharpe
Robert E. Shaskey
Spencer W. Shaw
Barclay M. Shepard
Francis J. Sincox, Jr.
Daniel H. Slemmons
Ray M. Smith
Royal A. Smith
Harry D. Snyder
Bill D. Stout
Bob E. Stout
Philip K. Swartz, Jr.
Thomas E. Taylor
Lawrence E. Thomas
William J. Thomas
Robert E. Thompson
Robert L. Thompson
Raymond E. Tobey
John G. Tully, Jr.
James R. Tupper
John A. Ungersma
Jack S. Viele
Francis V. Viola III
Eugene P. Walter
Harry J. Wander
Gordon J. Weir, Jr.
William F. West
Donald E. Willard, Jr.
Harrison D. Willcutts
William J. Wilson
Luther A. Youngs III

The following-named officers to be lieutenants (junior grade) in the Dental Corps of the Navy and to be promoted to the grade of lieutenant when their line running mates are so promoted, subject to qualifications therefor as provided by law:

Robert C. Adams
Angelo E. Amato
Charles T. Arnold
Martin A. Barley
James T. Barrett
Raymond J. Begin
Ronald E. Berschig
George A. Biron
Norman C. Bitter
William F. Bryson
Constantine J. Cavalaris
Russell L. Corio
Robert L. Creedon
Clark N. Eid
Jesse T. Gentry
Ronald E. Hillenbrand
Ronald H. Johnson
Edwin D. Joy
Henry P. Koutouzakis
Charles J. Love
Arthur C. McFeaters, Jr.
Richard D. Mumma
Raymond D. Nable
Philip P. Nolan
Lawrence E. Paxton
Don A. Penners
Donald J. Perrere
Henry E. Richter
Vonnie B. Smith
Ralph R. Stocker
Robert L. Tanner
Carl N. Taylor
Robert E. Thomas
Ferris P. Thompson
James R. Toolson
James J. Verunac

Edward W. Colbourn, Reserve officer, to be a lieutenant in the Supply Corps of the Navy, for temporary service, subject to qualifications therefor as provided by law.

George E. A. Cullinane, Reserve officer, to be a lieutenant (junior grade) in the line of the Navy, for temporary service, subject to qualifications therefor as provided by law.

The following-named officers of the Navy for permanent promotion to the grades indicated:

To be lieutenant commanders, Medical Service Corps

Minkel, Eva M.
Crenshaw, Mary E.
Hanwell, Muriel
Alvord, Bertha I.
Bare, Thelma R.
Townsend, Edna L.
Wilson, Doris A.
McKinney, Dorothea, J.
Flickinger, Ruth L.
Frazier, Florence M.
Kieler, Lydia F.
Moeller, Ruth

To be lieutenant commanders, Nurse Corps

Shurr, Agnes G.
Samonski, Helen
Seidl, Elizabeth B.
Scharf, Caroline L.
Harrington, Eleanor M.
Erickson, Evelyn I.
Cohen, Ruth M.
Feezor, Thelma L.
Lavigne, Rose H.
Von Stein, Marjorie E.
Glancy, Evelyn D.
Gale, Dorothy M.
Harrington, Mary A.
Smith, Catherine I.
Wallace, Nancy I.
O'Brien, Elizabeth
Liebman, Leara B.
Davis, Celia M.
Baer, Annette
Knowles, Marie A.
Noteware, Margaret A.
Rhoades, Helen M.
Flanagan, Rose A.
Olson, Louise B.
Miller, Elizabeth L.
Berry, Margaret R.
Price, Frances F.
Luehrs, Frances L.
Brochtrup, Rita M.
Ballantyne, Alma C.
Quadrini, Ethel B.
Clark, Hazel E.
Blaska, Burdette M.
Sanderson, Laura M.
Coxsey, Essie E.
Williams, Kathryn E.
Langton, Mary M.
Poulter, Marion
Clarke, Rita D.
Bussey, Gladys V.
Gresko, Mary
Holte, Edna P. H.
Dunning, Carol L.
Stickles, Norma V.
Wolfgang, Mary I.
Woodall, Gwenevere
Benjamin, Lucy R.
Ellingson, Norma A.
Aycock, Martha O.
Lowe, Nancy C.
Springer, Virginia F.
Sagawe, Julia M.
Egan, Anne M.
Thurber, Mabel G.
Akerley, Maude W.
Kirk, Bertha M.
Houska, Pearl K.
Tyson, Emma E.
Reilly, Alice R.
Boyle, Helen L.
Benson, Wilma M.
Otero, Lucille M.
Scott, Margaret E.
Vaughn, Mary A.
Thompson, Vera E. K.
Fannan, Helen R.
Linnenbruegge, Hedwig M. E.
Kaes, Anna A.
McDaniel, Mona L.
Shedyak, Alice M.
Becker, Dorothy C.
Vitillo, Angelica
Goldthwaite, Marie B.
Chipman, Virginia R.
Rooney, Katherine Z.
Brown, Mary J.
Cheek, Marie M.
Smith, Ellen E.
Jones, Virginia E.

Linville, Delma U.
Poytress, Annie J.
Bates, Virginia M.
Brown, Lois E.
Collins, Jeanette
Lee, Barbara D.
Houp, Geraldine A.
Johnston, Blanche M.
Tulin, Flora
Allgeier, Althea E.
Beumer, Lucille M.
Hankey, Lorraine M.
Linnett, Catherine
Carlson, Eloise M.
Barclay, Kathryn
Brandenburg, Martha O.
Smith, Helen M.
Pintar, Anna M.
Pressley, Patricia S.
Adrian, Lois E.
Mauldin, Norma E.
Givens, Iris E.
Smith, Hattie B.
Duwe, Elizabeth M.
Stutler, Edna M.
Hase, Thelma B.
Knox, Nathalia A.
Thomas, Rachael E.
Daughtry, Edna M.
Pongratz, Marie A.
Scheips, Edna M.
Styron, Ruth H.
Smoker, Sue E.
Delfs, Rosa J.
Kroush, Nina M.
Johnson, Edna I.
Arnold, June E.
Coderre, Evelyn I.
Janc, Cecilia R.
Soto, Margaret M.
Penkunas, Nellie M.
Gavelek, Tekla S.
Warner, Edla C.
Cole, Deon
Mitchell, Rachel L.
Lepine, Martha M.
Browne, Ruth A.
Messer, Elna C.
Martin, Mary A.
Bednarski, Pauline M.
Jones, Dorothy E.
Crowder, Arleen L.
Klein, Ruth O.
Nelson, Harriet A.
Coughlan, Joan M.
Company, Eleanor M.
Jacobs, Grace E.
Schabowitz, Josephine T.
Brown, Iva H.

To be lieutenants, line

Eriksson, Roger V.
Tate, Charles E.
Lissy, Ernest I.
Wallace, Richard M.
Soczek, William
O'Neill, Norbert W.
Hayes, Francis X.
Peugh, Dighton "W"
Evosevich, John N.
Kopacka, William F.
Springston, William A.
Anderson, Giles B.
Carlson, Don P.
O'Connell, William J.
Knepler, James L.
Bravence, John, Jr.
Thornton, Ray O.
McMillin, George W.
Richards, Walter E.
Sedlak, Richard K.
Gunn, Max C., Jr.
Frazier, John D.
Buchholz, Philip P.
Higgins, Richard G.
Schnatterly, Lewis W.
Horn, Charles E.
Beckwith, Gilbert H.
Kaiser, Gilbert J.
Bradshaw, Frederick L.
Jauregui, Stephen, Jr.
Moore, Hugh A.
Bibb, Banjamin O.
Rose, James S.
DeBoer, Jack "G"
Booth, Joseph K.
Kinne, Loren H.
Keith, Harold S.
Courtney, Charles H.
Harrell, Max A.
Otto, Robert O.
Richardson, William C.
Clifford, Donald J.
Woollard, Edwin F.
Anthony, Morris D.
Premo, Melvin C.
Baty, Frank O.
Bush, Carl D.
McDermott, John J.
Schibel, Robert L.
McConnell, Cyrus, Jr.
Mack, John
Sawyer, Kenneth R.
Rork, John K.
Brammeier, Charles L.
Gadberry, Roy K.
McClenahan, Richard M.
Knight, Cecil F.
Coleman, Herman F.
Rhodes, Thomas B.
Halladay, Norman E.
Smith, Chester R.
Keener, John K.
Smith, Albert L.
Willmeroth, Earl R.
Wallace, James D., Jr.
Frentress, Bowheart "H", Jr.
McCracken, John L.
Sullivan, Russell J.
Offrell, David W.
Yarwood, John O.
Legett, Thomas R.
Mason, Ralph S.
Chamberlain, James L.
Connolly, Paul P.
Hunter, William G.
Kraus, Walter S.
McKinnon, George H.
Welsh, Vincent F.
Grothe, Henry J.
Dugan, Francis V.
Moore, Percy J.
Zelones, Vincent L.
King, Edward L.
Langford, George R.
Whaley, Daniel E., Jr.
Hameirath, Walter F.
Zettie, Harold
Patten, Robert S.
Moore, John R.
Merkle, George W.
Keller, Samuel F., Jr.
Cusick, Patrick J.
Mares, James A.
Behrle, Walter F.
Woodcock, Henry P., Jr.
Miller, John H.
Biasi, Nestore G.
Couser, Rodney W.
Daley, Robert E.
Holmes, James W., Jr.
Gullickson, Grant G.
Popp, John, Jr.
Pearson, George W.
Knight, Eugene T.
Poppewell, Lewis M.
Raines, Julian L.
Cogswell, Charles E.
Barkley, James F.
Rose, Charles B.
Lannon, Francis W.
Rodgers, Henry C.
Muniz, John J.
Bernier, George, Jr.
Welsch, John W.
Langford, George M.
DeRyckere, Archie G.
Rose, William A.
Downey, Louis A.
Devine, Clarence A.
Brasted, Kermont C.
Kimbrough, Harold S.
Gildea, John F.
Teuscher, John J.

To be lieutenants, Supply Corps

Rice, Harold A.
Dusenberry, Frank J.
Brooks, John E.
Hanly, Joseph B.
Stevenson, Ray H.
Baglioni, Francis X.
Cotton, Robert E.
Lawrence, Robert W.

To be lieutenants, Civil Engineer Corps

Gibboney, Lloyd H.
Moore, Fred, Jr.

The following-named line officers of the Navy for temporary promotion to the grade of lieutenant (junior grade), subject to qualification therefor as provided by law:

Allen, Curtis R.
Althouse, Arnold S.
Ambrosini, Leo A.
Anderson, Howard R.
Bailey, Robert B.
Baker, Earl R.
Baker, Floyd O.
Ball, John W.
Balsley, Francis W.
Barton, Harold C.
Baszak, Joseph F.
Baudouin, Morris R.
Beaton, John M.
Beck, Richard J.
Bell, Brewer
Bennett, John E., Jr.
Berger, Raymond E.
Bezilla, Paul J.
Bledsoe, Howard W.
Blevins, Deward C.
Brink, Robert E.
Brogan, Thomas E.
Brown, Harold W.
Brown, Jere F.
Burghardt, Louis, Jr.
Calamaras, Nicholas.
Camp, Robert W.
Cardoza, Henry
Carpenter, Lemmon F.
Carroll, John T.
Carroll, Robert J.
Cedercrans, Phillip N.
Chemacki, Stanley
Christensen, Wesle T.
Clark, Joseph E.
Clement, Leroy A.
Click, Duane L.
Coffee, Ernest E.
Collom, Frederick W., Jr.
Cothran, George E.
Cotton, Francis X.
Coupe, Walter E.
Cozine, Kenneth, Jr.
Craig, Stephnos D.
Crosby, Elwood A.
Crowder, Billy
Crowe, Guy T.
Daniels, Nelson M.
Davidson, Jack R.
Davies, Eugene L.
Davis, Milton W.
DeWitt, Allan F.
Dockery, Olan L.
Doran, Samuel W.
Drake, Leon L.
Dugan, William D., Jr.
Dwyer, James L.
Earman, Harry L.
Eason, Thomas E.
Elliott, John H.
Ervin, Charles F.
Eversole, Frederick L.
Fauth, Donald P.
Fehrle, Fred R.
Fenton, Clayton J., Jr.
Folds, Arthur T.
Fox, Harold E.
Franchini, Wallace L.
Francis, Paul R.
Frey, Charles W.
Frokjer, Elmer H.
Fuller, Fred R.
Gallagher, Vincent E.
Garsoe, Norman D.
Geer, Gilbert H.
Gilpin, George W.
Goetz, Charles R.
Gomez, Louis G.
Gormley, Kenneth L.
Gougar, Jack M.
Grant, Claude A.
Grisham, Albert M.
Guthrie, Wesley E.
Haff, Harold F.
Hamilton, Donald E.
Hansen, Lawrence W.
Harney, George S.
Harris, Homer D.
Hartshorn, Owen P.
Hastings, Irvin W., Jr.
Hatfield, Willis G.
Hegar, Edwin J.
Heggood, Frank E.
Heitman, Milton H.
Helm, Ralph M.
Higgins, Lloyd A.
Hogeboom, Edward L., Jr.
Howell, Richard F.
Hubbell, Milford M.
Huckaby, James H.
Huff, Walter C., Jr.
Hunt, Lloyd H.
Hurst, Wilmer M.
Hutto, Charles H.
Jackson, Carle L.
Jacobs, Arthur G.
James, Frank D.
Johnson, Bobbie D.
Johnson, Harrison A.
Kennedy, William F.
Kincade, Clarence R.
Kindsvater, Frederick J., Jr.
Kouns, Archie R.
Lackey, Earl L.
Lamm, George E.
Law, Mervin H.
Lawler, Ervin J.
Lewinski, Roman R.
Lohr, Harold C.
Longley, William N.
Magarity, Roy L.
Marrion, Reginald T.
Martensen, Vincent F.
Martin, Charles G.
May, Harding W.
Mayer, Robert V.
McBride, Francis E.
McCoy, Harry E.
McCullough, J. P.
McIntire, William G., Jr.
McKee, Frank R.
McKinsie, William E.
McNeil, Dale A.
McPherson, Edward W.
Mikeal, William S.
Miller, Donald R.
Miller, James R.
Mizerak, John
Moffitt, Vernon D.
Molloy, Arthur E.
Monahan, Edward P.
Moore, Robert E.
Murray, Darrell
Nielsen, Robert P.
Novarra, Francis J.
Nowak, Arthur A.
Ogden, John H.
Orchard, Wayne J.
Parrick, Carl R.
Pate, Homer W.
Patterson, James W., Jr.
Patterson, Ray A.
Perez, Edward A.
Phillips, Charles R., Jr.
Powell, Falvey C., Jr.
Powell, Francis L.
Proctor, Robert C.
Pugh, Robert W.
Riley, Edward E., Jr.
Rivenburg, Theodore L.
Rodrigue, Gerald J.
Roehren, Robert P.
Roemer, Charles P.
Rogers, Joseph A.
Ross, Scott K.
Schneider, Frederick F., Jr.
Schwatka, August O., Jr.
Shanley, Robert J.
Shelton, Woodrow W.
Smith, Augustine J., Jr.
Smith, Warren R.
Smith, Wayne H.
Snively, Arthur W.
Sorenson, Fred Jr.
Souza, Edward F.
Spindler, Raymond S.
Spivey, Franklin L.
Sponie, Bruce E.
Spray, Bert C.
Starbuck, Virgil K.
Straughan, William N.
Thompson, James M.
Thorin, Duane W.
Truax, Hugh G.
Tugwell, Richard L.
Turner, Vernon K.
Tyler, Eugene M.
Ussher, John P.
Vickers, Wrencie
Voorhees, Walter M.
Walleen, Maurice L.
Walters, James E.
Watson, Lloyd C.
West, Arch T.
Westerndorf, Donald R., Jr.
Wheeler, Paul G.
Whitten, Jimmie
Widen, Max W.
Willis, Clayton B.
Wilson, William E.
Yarber, James
Yates, John G.
Zaner, Aubrey B.
Ziemer, Howard
Ziskovsky, Joseph W.

The following-named officers of the Nurse Corps of the Navy for temporary promotion to the grade of lieutenant commander, subject to qualification therefor as provided by law:

Erdt, Leona L.
Fox, Ursula M.
Murphy, Katherine M.
Neely, Margaret F.

The following-named line officers of the Navy for temporary promotion to the grade of lieutenant, subject to qualifications therefor as provided by law:

Berry, Richard C.
Clayman, Samuel W.
Halverson, Herbert "M"
Schultz, Earl E.
Shaw, Scott A.
Weber, Lawrence K., Jr
Watson, Max H.
Wilmer, Robert R.
Wilson, David P.
Wuebler, Robert J.

The following-named (Naval Reserve Officers Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Hubert J. Adams, Jr.
John R. Alexander
James M. Alogna
Randall W. Austin
Dale G. Barney
Charles S. Barrett III
William H. Beckwith
James E. Behme
John M. Bossert
Gerald G. Bosworth
Donald G. Bowman
Rodney L. Bown
James T. Brackman II
William F. Brennan
Charles M. Brickett
Newton C. Brill
David A. Brock
Charles J. Brown
Gerald S. Buerk
Edward W. Butchart
Robert E. Byrnes III
Thomas C. Cady
John F. Chappell
Robert L. Clark
James R. Clinton
Larry M. Collins
Ronald W. Davis
Richard A. DeBrine
Walter A. Donnelly, Jr.
Paul K. Dougherty
George H. Douse
John B. Dunzer
Lowell M. Dusek
Calvin R. Dyer
William J. Ebanks, Jr.
Elgin C. Edwards
Robert V. Evans, Jr.
William D. Felix
Leighton H. French
Philias R. Garant
John T. Garner
Edward D. Ging
James R. Ginn
Michael N. Gleason
Kenneth N. Goode
James H. Granger
Richard A. Hanson
Russell L. Hanthorn
William R. Hardgrove
George A. Hatton, Jr.
William E. Haws
Benjamin N. Hayward, Jr.
Glen D. Hodge
Robert M. Hofland
Pieter L. Hogaboom
Michael E. Hulme
Robert B. Hurley
Warren J. Iliff
Robert J. Imbus
Jerry A. Irish
Geoffrey B. Isherwood
Ronald K. James
Jerry H. Jenkins

Robert R. Jespersen
Kekoa D. Kaapu
Frederick A. Kammeier
James H. Kirkham
Graham H. Kreicker
Richard L. Lammerding
Barry A. Landy
Traugott F. Lawler
Martin G. Letscher
Sherman R. Lewis
John C. Little III
Charles D. Lummis
Patrick M. Mackin
John G. McCabe
Theodore R. McElroy
Jack D. McFadden
Robert O. McKittrick
John F. McNelly
David K. Mosher
Thomas R. Mulkern, Jr.
Perry H. Murdick III
Donald G. Naugle
George D. Navadel
Gale L. Newman
Robert E. Noble
Hugh L. Parks III
Jerry S. Pierce
Ernie T. Pope
Richard B. Quanrud
Charles D. Regan
Ray O. Rodwell
Tom Roudebush
Dale W. Schermerhorn
Robert L. Seaver
James F. Simpson
Robert E. Smith
Paul W. Stehr
William J. Stoloski
Wayne R. Swenson
Franklin D. Taylor
Charles B. Thompson
Richard C. Tilton
Alan D. Toelle
Edward T. Uram
William M. Van Antwerp
Gerry L. Van Tassel
David E. Vowell
Robert H. Wakefield
Harry R. Wallace
Edward A. Warnicke
Henry J. Wasik
William L. Weltin
Robert G. Werner
William F. Wescott
Laurence T. Williams
Walter L. Williams, Jr.
David R. Wilson
Robert B. Wilson
Geoffrey A. York

The following named (Naval Reserve Officers' Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Daniel F. Bergen
John M. McGuinn
Thomas D. Price

The following-named (Army Reserve Officers' Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Donald W. Cuthrell, Jr.
John J. O'Hayre, Jr.
Richard C. Raines
Paul L. Sechtman
Thomas J. Smyth
Dean K. Stryker
Willard Y. Thomas
Dandridge H. Yon

The following-named (meritorious noncommissioned officers) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Eugene E. Allen
Perry B. Anderson
Bobby G. Anthis
Bobby W. Armstrong
James W. Barnett
Eugene J. Bell
Jean A. Benoy
Horace A. Bertrand, Jr.
Alan W. Bridwell,
Oscar W. Britton
Jerome P. Brooks, Jr.
James R. Burie
Eugene B. Burleson, Jr.
Robert J. Burns
William A. Byrne
Leon Cohan, Jr.
Everett L. Cowley
Robert G. Crabtree
Charles O. De Vries
Gerald F. Dooley
Clifford C. Doughty
Logan E. Doyle
Marcel J. Dube
Paul W. Dyer
Frederick B. Erbe
Edward K. Fisk
Robert J. Flanagan
Duane E. Fry
Albert E. Goodgasell
John M. Green, Jr.
Jack L. Groner
Harold W. Hale
William H. Hale, Jr.
Francis W. Harding, Jr.
John E. Harris
Albert E. Harwood
Marshall D. Haywood, Jr.
Robert T. Himmerich
Jerry E. Hudson
Edwin L. Huff
Lawrence W. Jordan
Henry E. Kamman
John Kazalunas
Michael F. Keane, Jr.
John F. P. King
Arnold L. Klinkenberg
William A. Knight
Jack B. Lakes
William F. Lee
Arlan D. McClanahan
Ralph C. McCormick
Ernest J. McGrady
Ronald D. McKinney
James T. Magee, Jr.
John M. Mahoney
James A. Marks
Edgar C. Martin
Edward G. Maslyk
William B. Mayberry
David N. M. Meinecke
Neil Molsbee
Paul D. Morris
Alton E. Nicol
Giles R. Norrington
LaVerne E. Nourse
Wallace R. Nugent
Howard C. Oakley
Daniel H. Oblinger
Joseph J. O'Brien
Frank E. O'Dell
Joseph J. O'Ravits
Jimmy L. Patrick
Aaron O. Philibert, Jr.
George R. Polyak
Donald A. Powell
Thomas J. Power
Charles J. Ramsay
William G. Reddick
David H. Redmond
Richard C. Reynolds
William A. Richmond
Jules C. Rivera, Jr.
John A. Rohde
Richard L. Ross
Lee C. Rountree
Herbert H. Ruhl, Jr.
Jack M. Sands
James D. Schalk
Herman W. Schneider
John K. Shannahan
Paul H. Sheehan
Thomas A. Silvear
Jack R. Spence
Charles B. Sperry
Doyle R. Sprick
James T. Staulcup
Robert W. Swigart
William A. Szili
Richard H. Taylor
Jacque W. Telford
Samuel E. Thames
William L. Thomas
Daniel F. Trenski
Henry W. Tutterow, Jr.
Ronald C. Upton
Joseph G. Vindich
Carl W. Volz
Melvin N. Wall
Raymond Wells
Robert L. West
Joseph T. Whittlesey
William A. Wile
Howard C. Wood
Grant L. Yenerall

The following-named officers for permanent appointment to the grade of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Francis R. Allen
Donald C. Anderson
Richard K. Biel
Wayne V. Bjork
George J. Bollard
John D. Brandenhorst
John J. Burton
William C. Byrd, Jr.
Joseph J. Caputo
Brendan J. Cassidy
Brendan J. Cassin
Ralph L. Chapman
Arthur B. Clark
Thomas F. Conway
Denver T. Dale III
Kenneth W. Earls
Robert F. Eggers
Leonard W. Fahrni
William W. Hatch
Karl R. Heiser
Ralph E. Hicks
Charles E. Holcomb
Frederick J. Houle, Jr.
Will D. Isbell
Russell E. Jamison
Richard J. Johnson
Robert B. Kazmierczak
Richard V. Kearney
William L. Kent
Joseph B. Knotts
James E. C. Leavitt, Jr.
Arthur E. Lee
Howard V. Lee
Merle R. Leighty, Jr.
Arthur J. Liedel
Cornelius W. MacFarlan
James W. Marks
George F. McMahon, Jr.
Joe B. Noble
David E. Obuhanych
James E. Page
Thomas J. Penticost
James E. Ragsdale, Jr.
David A. Ramsey
Lonnie E. Ramsey
John J. Reasoner
Norman H. Smith
Rodgers T. Smith
Jerome P. Trehy
Cecil R. Trueblood, Jr.
Wilson A. Voigt
Edward F. Votaw
Robert L. Walsh
Robert T. Waters
Robert J. Woeckener
Richard F. Wood

The following-named officers for temporary appointment to the grade of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Robert H. Andrews
Daryl E. Baker
Jerome L. Beck
John C. Buckley, Jr.
James F. Bugbee
James C. Caccivio
Michael D. Cerreta, Jr.
Hans S. Haupt
Joseph P. Hoar
John P. Landis
John J. Liati
Ronald B. McCrindle
Fred H. Mount
Gerald P. Murphy
George S. Prescott
James R. Sweeney
James E. Walker
William D. Young, Jr.

The following-named officer for permanent appointment to the grade of captain in the Marine Corps, subject to the qualifications therefor as provided by law:

Edward J. Megarr

The following-named officer for permanent appointment to the grade of colonel in the Marine Corps, subject to the qualifications therefor as provided by law:

Lewis N. Samuelsen

William W. Heath, ACCA, USN, to be a chief warrant officer, W-2, in the United States Navy, for temporary service subject to qualifications therefor as provided by law.

CONFIRMATION

Executive nomination confirmed by the Senate March 31, 1958:

UNITED STATES DISTRICT JUDGE

George Harrold Carswell, of Florida, to be United States district judge for the northern district of Florida.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 31, 1958:

POSTMASTER

Clarence E. Harden to be postmaster at Tolono, in the State of Illinois.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 31, 1958

The House met at 12 o'clock noon.

Rev. Francis Czerniawski, of Cohoes, N. Y., offered the following prayer:

Our God and Father, Almighty Creator of the universe, who endowed all peoples with love of their countries and freedom, help us to understand, on the 40th anniversary of Byelorussian independence, that only freedom under Thee will lead our country and its people to happiness. We implore Thee, be merciful to us, to our people and our homeland, Byelorussia, which suffers in slavery. Restore our liberty and prosperity that we in freedom may glorify Thy holy name.

Bless this, our beloved country, the United States of America. Inspire, protect, and guide our statesmen leaders that the light of freedom may always burn brightly in the hearts of the United States and the flame spread to engulf all nations and peoples.

Our Father, who art in heaven, hallowed be Thy name; Thy kingdom come; Thy will be done on earth as it is in heaven. Give us this day our daily bread; and forgive us our trespasses, as we forgive those who trespass against us; and lead us not into temptation; but deliver us from evil.

Amen.

The Journal of the proceedings of Friday, March 28, 1958, was read and approved.

CONFEREES ON H. R. 9821

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that I may be excused as a conferee on the bill H. R. 9821, which has been sent to conference, and that the Speaker be authorized to appoint a substitute in my place.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Tennessee [Mr. DAVIS] to serve as conferee, and the Senate will be notified of the action taken.

SHIPPING ARMS TO CUBA

Mr. PORTER. 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 Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, last Wednesday in a special order I called, as others have called, on our Government to stop shipping arms to Cuba. I pointed out that our arms were being used in violation of treaties between us and Cuba and were identifying us with the vicious police state ruled by Batista.

Today the State Department has made available to me a statement which declares we have, finally, suspended shipments of arms to Cuba. It is a fine statement, another sign of a new and better Latin American foreign policy:

In authorizing shipments of arms to other countries under the mutual security program, it has been our consistent practice to weigh carefully those consigned to areas where political tensions have developed. We wish to be assured, for example, that the arms are destined for uses consistent with the objectives of our mutual security legislation. The shipment of 1,950 Garand rifles, purchased by the Cuban Government, was temporarily suspended to allow us the opportunity of consulting further with the appropriate Cuban officials.

As for the situation in Cuba, it is a matter of sympathetic concern to all of us as friends and neighbors. It would be entirely contrary to our policy to intervene in its internal affairs and we do not intend to become involved. We do hope the Cuban Government and people themselves will soon find a peaceful and democratic solution. They are the only ones who can, as well as being the only ones who should, resolve the issue.

THE STORY OF FREE ENTERPRISE

Mr. ALGER. 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 Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, how many of you recall that as youngsters any early symptom of illness was the signal for your mother to begin concocting some fearful brew—her special remedy for whatever might ail you. As I survived each childhood sickness, my mother's faith in the efficacy of her cure-all grew indestructible.

Bless her heart, she was trying; but it occurred to me that my God-given constitution was a marvelous thing. With its built-in recuperative powers, it could not only cope with the ordinary ills which beset a fellow, but it could overcome the additional handicaps imposed by these foul, but well-intentioned ministrations.

What of our economic ills? Unfettered, our free enterprise system can react promptly and forcefully to correct any malfunction in its own operation. But we have been subjecting this system, the envy of the world, to a lot of political home remedies for a good many years now. Thus far it has survived its own inherent ills, in spite of the galloping inflation, overwhelming debt and taxation, and crippling restrictions resulting from liberal doses of political remedies. But can we not create difficulties, insurmountable even by this wonderful system which has given us so much?

It strikes me that free enterprise might be likened to the two powerful and healthy mules which were laboring heavily to pull a wagon along a dusty country road. By way of being helpful, the fellow on the wagon seat was yelling imprecations and lustily swatting their already straining hindquarters.

Finally, the driver pulled his sweating team to a halt beside a man sitting on a fence and asked, "Pardner, how long is this durn hill anyway?"

The bystander eyed him reflectively for a moment, spat, and said, "Fellow, you ain't on no hill—your hind wheels is off."

ADVANCE PROCUREMENT APPROPRIATIONS, 1958

Mr. CANNON. Mr. Speaker, by direction of the Committee on Appropriations, and under consent previously secured, I move to suspend the rules and pass the resolution (H. J. Res. 588) making advance procurement appropriations for the fiscal year 1958, and for other purposes.

The Clerk read the title of the resolution.

The SPEAKER. Is a second demanded?

Mr. TABER. Mr. Speaker, I demand a second.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, suspension of the rules of the House is an extraordinary parliamentary recourse. It is a drastic procedure, and in a sense is a bit unfair, because it cuts off the right of debate and precludes the offering of amendments. Accordingly, it is resorted to only in extraordinary cases.

But this is an extraordinary occasion, Mr. Speaker; we are in the midst of a depression. It is sincerely to be hoped that we have reached the bottom and are now on the way back up, but without exception all reports received in this morning's mail from the various weekly reporting agencies are gravely conservative. Here are quotations from some of the most authoritative of this morning's reports:

All recession signs are a little bit worse.

The facts about the recession are not good.

Recession has now reached a stage when it touches consumers.

Both sides have underestimated the nature and probable extent of the downslide.

Repossessions are showing an upturn, reflecting unemployment and reduced-income problems.

Things are getting rough. The psychology of the recession is feeding the recession.

No sudden upturn can be expected merely as result of money ease or tax cuts.

Corroborating these estimates, unemployment is rising. Business activity has slackened. The cost of living is pricing consumers out of many markets. And the deficit for the fiscal year 1959 is estimated by the reporting agencies from a low of $3 billion to as much as $16 billion.

To meet this situation the President transmitted to Congress on March 26 a message recommending that not to exceed 50 percent of the amounts included in the 1959 estimates, for supplies, materials, and equipment for the departments be made immediately available for expenditure. The Department of Defense, the mutual security program, and the legislative and judicial branches of the Government were not included.

These expenditures are to be charged to the 1959 appropriations when made, and do not involve additions to the 1959 budget.

The purpose is to advance expenditures by 90 days in order to accelerate business activity and reduce unemployment.

Immediately upon receipt of the message a special subcommittee was appointed consisting of members of all subcommittees which have not yet reported.

Hearings were held the next morning and have been printed and are now available at the desk. In the hearings it developed that the estimate of $840 million dollars referred to in the message could not be provided under the plan proposed and eventually the representative of the Bureau of the Budget conceded that the outside amount of possible expenditures under the program could not exceed $200 million, a little less than one-fourth of the amount indicated in the message.

Other questions arose and doubt was expressed as to whether supporting the markets in this manner would effect a remedy. If buying is to be encouraged prices must be reduced. And unseasonable purchases firm prices rather than reduce them.

Furthermore, if money is provided to buy 90 days in advance, what will be the effect on the market when these purchases would normally have been made and there are no funds to provide the routine expenditures? Would not a flood of expenditures 90 days in advance produce a drought at the time the money would normally have been spent?

But the subcommittee and the committee are anxious to cooperate with the President in any recommendation to remedy the situation and have reported out the joint resolution in the exact language submitted in the message and unanimously recommend its prompt adoption by the House without amendment.

Mr. Speaker, in order to remedy a depression we must necessarily consider the cause of the depression. And while I hesitate to quote statistics I desire to submit three figures which explain concisely and briefly the cause of the situation in which we find ourselves.

The total amount of the taxes collected by the United States Government from 1792 in Washington's administration to 1948 was $316 billion. From 1948 to 1953 the amount collected was $247 billion. And from 1953 to 1958 the amount collected and spent was $366 billion.

Here it is in tabulated form:

	Billion
Jan. 1, 1792, to Jan. 1, 1948	$316
Jan. 1, 1948, to Jan. 1, 1953	247
Jan. 1, 1953, to Jan. 1, 1958	366

From 1792 to 1948, a period of 156 years, we fought all our victorious wars, the War of 1812, the Mexican War, the Civil War, the Spanish-American War and both World Wars—for $316 billion. Then from 1948 to 1953, a period of 5 years we collected—and spent $247 billion, although we did pay something on the national debts, and we fought the Korean war. But from 1953 to 1958, a like period of 5 years we collected—and spent more than $366 billion and increased the national debt.

And let me emphasize the fact, Mr. Speaker, that the increases were in nondefense items. Not only did we collect—and spend—the largest amount of money that ever flowed into the treasury of any nation in the world but we spent money we did not have for things we could have done without. Our bonds went down and our national debt went up. The purchasing power of the dollar went down and the cost of living went up.

The reckless, profligate, irresponsible spending of these last years of these vast amounts is without parallel in history. We should have reduced expenditure and reduced the public debt and supported our bonds and laid away something for the rainy day. But like the grasshopper which sang and danced in the summer sun, heedless of the future, we increased expenditure as fast as revenues increased when any sane man knew that the money trees could not bloom forever.

Instead of using this golden stream of new revenue to curtail expenditure and control inflation we spent it as fast as it came in—and more.

Today the dollar is so depreciated and the cost of living so high that children go hungry to bed.

This administration is responsible for recommending and countenancing these prodigal expenditures. And this Congress is responsible for appropriating the billions of extra dollars that should have been applied on our debts.

And that is why we are here considering this extraordinary motion to suspend the rules and attempt something of which no previous administration or previous Congress has ever dreamed of doing before.

Mr. TABER. Mr. Speaker, I yield myself 12 minutes.

Mr. Speaker, this is a motion to suspend the rules to permit the advance procurement of items covered for supplies, materials, and equipment up to 50 percent of the total of each item in each bill that is appropriated for the fiscal year 1959 in advance of the 30th day of June 1958.

The total amount that could be spent in this way is set forth at page 37 of the hearings—$195 million. Some of the agencies would not be able to procure any more goods, no matter what they did, than they are able to procure now in the line of supplies, materials, and equipment. Others could spend a considerable amount.

For instance, among the independent offices it would run $54.5 million. In the Department of Agriculture it would run $7 million. In the Department of Commerce it would run $36 million; in the Department of the Interior $13 million; in the Post Office Department $41 million; and in the Treasury Department $15 million. There are many other items, but they are smaller.

This is a bill which is designed to start the wheels moving to a certain extent on some things. Undoubtedly it will place more money in circulation in the period between now and June 30 than would be placed in circulation by all four of what have been called the major groups that would call for money out of the Treasury. I name those four groups: First, the stepped-up operations of the Bureau of Reclamation; second, the stepped-up operations of the Civil Functions Agency; third, the stepped-up operations of the Public Buildings Administration; and fourth, the stepped-up operations of the highway construction program. It probably is of more value from the standpoint of maintaining prices and putting a little money in circulation than anything else that we have had to consider. But frankly, I do not belong to that school which believes that we can help get out of a depression in that way, if this is a depression.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. GROSS. Apparently the Appropriations Committee as a whole shares that view because I read on page 4 of the report, if the gentleman will permit:

> Thus it is clear that the overall dollar magnitude of the proposal is substantially deflated by these agreed facts. The joint resolution is nonetheless submitted with the hope that it may be of help in abating the present serious situation but with the candid expectation that it probably will not go very far in that direction.

Mr. TABER. As I said, it will go farther than the four items that have been talked about.

Mr. GROSS. That is right.

Mr. TABER. Because it will come out more quickly, and it will be for things that can be delivered more quickly and paid for more quickly.

Mr. GROSS. If the gentleman will yield further, I just wonder if there should be something in the title of the joint resolution to the effect that this is a tongue-in-cheek proposition?

Mr. TABER. It is a proposition on which probably the Congress could not afford to say "No" to the President. At the same time these are not items that are going to relieve unemployment, or anything of that character.

The thing is just about this way. It takes to get highway construction under way anywhere from 6 to 15 months, depending on the size of the job. To get public buildings under construction, unless your plans are already detailed and contracted, it takes from 10 to 15 months. To get increased progress on reclamation projects it takes at least 4 or 5 months before they can do much. On civil functions, with the single exception of these dredging jobs on harbors and rivers, it takes anywhere from 8 to 15 months to get started. You can move them up a little after they start but you cannot move them too much.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. May I say I intend to support this resolution, but I certainly join the gentleman from New York presently addressing the House in saying that I doubt that this is going to have the effect some people think it will.

Mr. TABER. I think it will have the effect most folks think it will; that is about as far as I can go.

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. ROONEY. May I inquire of the gentleman from New York if it is not the fact that at least to some extent this legislation will have an effect on the automobile industry in Detroit and other places by providing for the early and immediate purchase of automobiles for various Government agencies.

Mr. TABER. I expect it will have some effect. Maybe it will run up to 800 to 1,000 automobiles; I do not believe much more.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. KEATING. In the bill itself it is stated "that this paragraph shall not apply to military functions of the Department of Defense." In the report and in the remarks of the gentleman from Missouri, reference was made to the military functions under the mutual-security program, and the legislative and judicial branches. Is it intended to offer an amendment to the bill in its printed form in which we have it to cover these other departments?

Mr. TABER. No amendments can be offered under suspension.

Mr. KEATING. I wondered if the suspension was with an amendment.

Mr. TABER. No; it is not. It embodies the language which was sent up.

Mr. KEATING. I fail to understand the justification in the report for the statement that it does not involve the legislative and judicial branches. There may be some explanation which I do not understand about it.

Mr. TABER. If the gentleman will refer to page 37, he will see that those things are left out insofar as the estimates of where the present money would come from. The language of the bill probably would not prevent anything except the actions relating to military functions of the Department of Defense.

Mr. KEATING. I understand. I thank the gentleman.

Mr. LIPSCOMB. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from California.

Mr. LIPSCOMB. By passing this joint resolution and giving 50 percent of the advance payment to the departments, are we giving them permission to spend from budgets the Appropriations Committee or the Congress has not had an opportunity to work on as yet?

Mr. TABER. It does where budgeted.

Mr. LIPSCOMB. In other words, this joint resolution will not be effective until these budgets are passed by the Congress?

Mr. TABER. This bill applies to the budget estimates before the Congress.

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman again yield?

Mr. TABER. I yield.

Mr. ROONEY. Relative to the colloquy a few moments ago between the distinguished gentleman from New York and the Member presently addressing the House, I should like to call attention to the fact that at page 19 of the committee hearings there is testimony by Robert E. Merriam, Deputy Director of the Bureau of the Budget, that with regard to civilian and truck vehicles, in fiscal year 1959, their total budget proposals are to buy somewhere in the neighborhood of 23,000 vehicles at a cost of approximately $43 million.

Mr. TABER. That would probably be a couple of weeks' work for the automobile factories.

Mr. LIPSCOMB. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. LIPSCOMB. By the passage of this resolution, the Committee on Appropriations is not giving any of its prerogatives to the executive branch to spend money without control; is that not a fact?

Mr. TABER. No, because they can spend only 50 percent of the budget estimates for these particular things, and that is supplies, materials, and equipment.

Mr. LIPSCOMB. I thank the gentleman.

Mr. TABER. Mr. Speaker, I reserve the balance of my time.

Mr. CANNON. Mr. Speaker, unless the gentleman from New York desires further time, I have no further requests for time and I ask for a vote.

The SPEAKER. The question is on suspending the rules and passing the joint resolution.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

On motion of Mr. CANNON (and by unanimous consent) a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

COMMITTEE ON PUBLIC WORKS—S. 497

Mr. DAVIS of Tennessee. 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. 497.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

APPROPRIATIONS FOR EXECUTIVE OFFICE OF THE PRESIDENT AND SUNDRY GENERAL GOVERNMENT AGENCIES, 1959

The SPEAKER. The Chair recognizes the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS. Mr. Speaker, I yield to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 10589) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1959, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 10589, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, February 10, all time for general debate on the bill had expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

REDUCTION IN BALANCES

Revolving fund, Defense Production Act: The unobligated balances available in the fund as of June 30, 1959, shall be withdrawn and covered into the Treasury as of the close of business June 30, 1959.

Mr. BROWN of Georgia. Mr. Chairman, I make a point of order against the section beginning on line 9, page 5, and ending in line 13, page 5, as legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Alabama desire to be heard?

Mr. ANDREWS. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is conceded.

The Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

EMERGENCY FUND FOR THE PRESIDENT, NATIONAL DEFENSE

For expenses necessary to enable the President, through such officers or agencies of the Government as he may designate, and without regard to such provisions of law regarding the expenditures of Government funds or the compensation and employment of persons in the Government service as he may specify, to provide in his discretion for emergencies affecting the national interest, security, or defense which may arise at home or abroad during the current fiscal year, $1,000,000: *Provided*, That no part of this appropriation shall be available for allocation to finance a function or project for which function or project a budget estimate of appropriation was transmitted pursuant to law during the 85th Congress, 2d session, and 86th Congress, 1st session, and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask some member of the Committee on Appropriations whether it has any information with respect to the use of funds allocated to the office of the President; the use of such funds for the purpose of staging meetings in Washington, such as the recent foreign aid meeting, and the Trade Agreements Act meeting. I understand the committee held hearings on this bill some time ago, and perhaps did not have an opportunity to call some of the people who were instrumental in these meetings before the committee. I wonder if any member of the committee has any information as to what funds appropriated to the Executive Office were used in the promotion of those two meetings.

Mr. ANDREWS. I will say to the gentleman I cannot answer that question, but it does not come out of this emergency fund.

Mr. GROSS. Is it not possible that it could have come from that fund?

Mr. ANDREWS. It is possible, but the expenditure of this fund is left entirely to the President. There is only one limitation. He cannot use money from this fund to finance anything that has been denied by the Congress.

Mr. GROSS. According to page 2 of the bill, it would be possible, would it not, under "Salaries and expenses, $2,051,970" to use this fund?

Mr. ANDREWS. No. Those funds are for salaries and expenses of employees in the White House.

Mr. GROSS. What about special projects fund? The authorization to be found on pages 2 and 3 in the amount of $1,500,000.

Mr. ANDREWS. That is an entirely different proposition. We have examined all of these accounts. None of those funds has been used for the purpose which the gentleman asked about.

Mr. GROSS. What funds were used to pay for Government office space, Government personnel, Government office equipment, stationery, telegrams, and so forth, in connection with these lobbying activities? Who underwrote these expenditures, if I may ask?

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Certainly; I yield.

Mr. GARY. There are two funds in here out of which these funds might have been paid. One is for the operation of the White House, and the other is the emergency fund. The President has an emergency fund of $1 million. It was out of that fund that he appropriated $200,000 for the operation of the Civil Rights Commission for this fiscal year. When Congress passed the civil-rights bill it did not provide any funds for its operation.

The President, to provide for its operation during the present fiscal year, turned over $200,000 of that fund. Our committee does not have any information whatever as to whether the President or the White House, whether any other Federal funds paid for those meetings. They are funds which are in the bill, and if any Federal funds were used it would very probably come out of those particular funds.

Mr. GROSS. Mr. Chairman, I wonder if my friend from Virginia could give me

assurance that next year when this appropriation again comes before his committee that there will be some inquiry into how these particular meetings, luncheons, and plush dinners were financed? I know that office space was provided; I know that certain Government personnel were provided; I know that stationery was provided, and I know of no way by which the Government can be reimbursed for these expenditures.

Mr. GARY. If Government funds were used, then the taxpayers of the Nation should know about it, whether it was a proper or improper use of the funds. Certainly there is no reason why the information concerning them should not be made public, and I would say that our committee could very well inquire into that next year.

Mr. GROSS. I thank the gentleman.

The Clerk read as follows:

CONSTRUCTION OF MEMORIALS AND CEMETERIES

During the current fiscal year, not to exceed $10,000 of funds hertofore appropriated under this head shall be available for travel expenses.

Mr. RABAUT. Mr. Chairman, by direction of the Committee on Appropriations I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. RABAUT: On page 8, after line 7, insert: "Commission on Civil Rights, Salaries and Expenses: For expenses necessary for the Commission on Civil Rights, including expenses of attendance at meetings concerned with the purpose of this appropriation, $750,000."

Mr. RABAUT. Mr. Chairman, the Commission was created pursuant to Public Law 85-315, 85th Congress.

Fiscal year 1958: Operating from allocation, made January 3, 1958, of $200,000 from the President's emergency fund, national defense, the Commission has incurred obligations through March 25, 1958, of $26,004.

A budget estimate for $200,000, contained in House Document 313, presumed reimbursement to emergency fund.

Both the emergency fund and the Commission have ample funds available for the balance of the fiscal year. An appropriation for 1958 would serve only a bookkeeping purpose, therefore, no appropriation is recommended.

Fiscal year 1959: The budget estimate contained in the regular 1959 budget is in the amount of $750,000. The committee recommends the appropriation of $750,000, the full amount requested.

The Commission is operating under the guidance of a staff director nominee, and is prepared to employ its major staff personnel and be in full-scale operation by May 15.

The major tasks of the Commission are: First, to investigate allegations under oath as to deprivation of the right to vote; second, study legal developments constituting denial of equal protection of the laws; and third, appraise the laws and policies of the Federal Government with respect to equal protection of the laws.

The Commission is a factfinding agency, directed by law to report to the President and Congress, and has no enforcement powers.

Mr. ANDREWS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. RABAUT].

Mr. Chairman, I am unalterably opposed to this appropriation. One of the reasons for my objection to it is that at present it is only a skeleton organization on paper with one or two full-time employees. The Commissioners have been appointed and confirmed by the Senate, but the man who will do the work, the staff director, up to this time has not been confirmed by the Senate.

Mr. GARY. Mr. Chairman, I have consistently opposed the creation of the Civil Rights Commission from the inception of the legislation. I do not believe that a commission of this nature will accomplish anything whatever. I may say that we in Virginia are very happy that our former Governor, the Honorable John S. Battle, has been made a member of this Commission. If we are to have a commission of this nature, certainly no one is better qualified to serve as a member of it, but his presence does not remove our objection to it. The Commission has no proper Federal function to perform; the matters which have been referred to it are the proper subjects of State rather than Federal control. Therefore, in my judgment, this appropriation is for a commission that is useless and the appropriation is a wasteful and improper expenditure of the taxpayers' money.

This amendment, while recommended by the Committee on Appropriations, was not unanimously recommended. It was my duty to serve on the subcommittee that considered this appropriation, which was recommended by President Eisenhower. I opposed it in the subcommittee, I opposed it in the full committee, and I still oppose it on the floor of the House.

I hope, Mr. Chairman, it will be the pleasure of this body to reject the pending amendment.

Mr. FENTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, on Friday last, March 28, the Subcommittee on Appropriations for General Development Matters reported its recommendations to the full committee on a budget request for $750,000 for the fiscal year 1959 for the Civil Rights Commission. The subcommittee recommended the full amount of $750,000.

Mr. Chairman, the Commission has been operating since January 3, 1958, on an allocation from the President's emergency fund, national defense, of $200,000. Because of some delay in recruiting the upper echelon of employees for the Commission there were obligations incurred through March 25, 1958, of $26,004. The estimated cost for fiscal year 1958 is $166,529.75. The subcommittee recommended no action on the 1958 fiscal year appropriation for the Commission since there appeared to be sufficient funds from the allocated emergency fund to continue operations on the present basis. Any unobligated funds from either the emergency fund or funds allocated to the Commission revert to the Treasury on June 30, 1958, and an appropriation to the Commission at this time for fiscal year 1958 would serve only as a bookkeeping transaction.

Dr. Hannah stated that he expects that the Commission will be fully staffed and in action by May 15, 1958.

The full committee accepted this recommendation.

May I say that Dr. Hannah, the Chairman of the Commission, made a very fine statement to the subcommittee in attempting to justify the request for funds. Mr. Gordon Tiffany, who was nominated by the President to be the staff director for the Commission, also testified and made a very fine presentation. Pending his confirmation by the Senate, of course, he is employed as a consultant by the Commission.

Now, it is to be borne in mind that this Commission is not an enforcement agency. It is simply an agency of inquiry and fact-finding and makes its report to the Congress. Furthermore, it ceases to exist on September 9, 1959, or 2 years after the enactment of the civil-rights bill.

Mr. Chairman, I certainly hope that this Committee will act favorably on the amendment offered by the gentleman from Michigan [Mr. RABAUT].

Mr. SHELLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan providing an appropriation for the Civil Rights Commission. This matter was debated on the floor previously, but no appropriation was made. It came to our committee, and we held a hearing, and I want to say for the Record that the presentation made by Mr. Tiffany, the newly appointed Director of this Commission, and by Dr. Hannah, the Chairman of the Commission, was an impressive one. It certainly impressed me, and I think that after our hearings were completed that that was the feeling of every member of the subcommittee. I happen to be a member of the subcommittee.

Mr. Chairman, I do not think there is any need to argue about the basic issues involved in the law that was enacted. We went through that last year. We have gone through it in prior years, and Congress has worked its will. We passed a civil rights law, and we passed a law which set up this Commission.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. SHELLEY. I will be very happy to yield to the gentleman from New York.

Mr. ROONEY. I should like to commend the capable gentleman from California for his statement and say that, of course, since this civil rights commission has been legally constituted and operating, there is no reason in the world why we should not supply the full amount of these funds so that the commission can carry out their duties under the law. I shall vote for the committee amendment.

Mr. SHELLEY. I agree with the gentleman from New York who always makes astute observations and has spoken right to the point, as usual.

Mr. Chairman, the law has been enacted. We have the law now. The Commission has been appointed and a

Director has been appointed, and they have a list of employees they want to put to work. A denial of funds is simply a thwarting of that which we have already enacted. I am sure that the majority of this Congress will vote on this issue just as they did on the enactment of the basic law which set up this Commission.

Before I close my remarks, Mr. Chairman, I would like to express my appreciation to my chairman, the distinguished gentleman from Alabama [Mr. ANDREWS]. Although there has been division on this question, I can say that he has constantly sought to give this matter a complete and thorough hearing and has given all sides of this question the utmost consideration. And may I say that it has been a pleasure and always will be a real pleasure to serve on this subcommittee with my colleagues.

Mr. Chairman, I ask this committee to give this matter their favorable consideration.

Mr. KEATING. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this amendment. I want first to commend the committee for the workmanlike manner in which they have performed their job and the excellent hearings which have been held on the subject. I do not think anyone could read the hearings, which are available in printed form, without being impressed with the fine presentation made by Dr. Hannah and the staff director who accompanied him, Mr. Tiffany. They have set forth in detail the proposed organization of the Civil Rights Commission and the various divisions which they plan to set up.

On page 11 of the report is shown the estimated amount which will be needed during the next fiscal year for personal services, travel, transportation, communication services, rents and utilities, printing and reproduction, other contractual services, supplies and materials, equipment, and taxes and assessments.

And on page 13 of the report is set forth in detailed form the proposed organization chart of this Commission. This Commission has a big job to do. They can perform a unique and valuable service to our country in bringing this entire civil-rights problem into proper focus. This is, of course, a subject highly charged with emotion. There are those on both sides of the controversy who have allowed their feelings to get the better of their judgment. The Commission will provide the forum and fact-finding body to attempt to bring reason to this troubled field.

Certainly, having passed this law, after a hard struggle, the first civil-rights bill in 82 years, we should not now turn around and reverse ourselves by denying this Commission the funds with which to operate.

There are many, I recognize here, although they were a decided minority, who did oppose and are still opposed to the legislation which we enacted. I respect their views. I realize that they will oppose this appropriation. Clearly, if this amendment can be defeated, it would kill a substantial part of what we were trying to accomplish by this legislation. The setting up of the Civil Rights Commission was one of the less controversial items of the four-part bill I originally introduced. There was a time when there were negotiations along the line of limiting the legislation to the Commission alone, and it was apparent such a measure would go sailing through.

Many of us were opposed to that approach, but certainly it should be and is, I believe, the least controversial of any of the items in the civil-rights bill. It should have the support of this body by providing sufficient funds for them to do the job.

Neither I nor any other Member can say the precise amount which will be necessary. There are funds on hand out of the President's fund which they say will carry them through this year, and they estimate will leave some thirty or forty thousand dollars to be turned back to the fund. But as of July 1 of this year they will be out of funds and a vote against this amendment is a vote to kill this important feature of the civil-rights bill.

I feel confident that the Members here who voted to put this much needed legislation on our statute books will not turn around now and vote to deny this Commission the funds with which to operate.

I urge that this amendment be approved.

Mr. HEMPHILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the amendment. Last year with what force I could command I opposed the legislation creating the iniquitous political Civil Rights Commission. It was evil then and it is evil now.

I was interested in what my distinguished friend said about killing the purpose of the legislation of last year, unfortunate as it was. If we were able by defeating this amendment to defeat the iniquitous purposes of the legislation of last year we would probably bury here today the difficulties and controversies which have caused so much bitterness among the American people.

I have talked with some of the people who were supposed to be benefited by that legislation. They tell me that they are not so much interested in political civil rights as they are interested in bread and meat because of the economic situation. They asked me as a Congressman why a deliberative body like this would spend so many months of last year on a political question and neglect the economics which were going in a downhill direction to such an extent that we are now suffering in every part of this country.

The waste of money, the unconstitutional wrong in using the troops, the continuation of miltary rule at Little Rock has laid bare the injustice and inequity possible under the guise of civil rights.

Now we embark on a spending spree for a commission which will do harm to American relations with other Americans. Most of the complaints which the Commission will be called on to look into will be from those who want to cause trouble. Our external and internal enemies will rejoice in having this sounding board for inciting racial strife.

Who will work for the Commission? Probably those who desire to use the position to incite trouble. Some will be chosen to carry out the subversive wishes and designs of others. Your tax money and mine will be scattered recklessly to attempt to justify the existence of this Commission beyond the deadline of September of 1959.

No, my friends; this money will not be spent wisely, nor well. When the appropriation came so hastily to the House for debate some time ago, no witnesses had been heard. Seven hundred and fifty thousand dollars is a lot of money to throw away for such a purpose.

We need to put every penny we can spare into the economy of this country, and this appropriation will not help our economy. I predict it will be the mustard seed of further waste in the future.

Mr. Chairman, I urge that this legislation be defeated, that this Commission be without funds, because I believe it to be best for the country as a whole. We had no business passing the bill last year. You created a monster, and now you seek to buy trouble. I shall vote against this appropriation.

Mr. ENGLE. Mr. Chairman, I am supporting the amendment offered by the General Government Matters Appropriations Committee to appropriate $750,000 to the Commission on Civil Rights for fiscal 1959.

There is no question about the importance of this appropriation request. The Commission was established by an act of Congress last year, in connection with civil rights legislation. The Director and other officials have been appointed and the President has already advanced $200,000 out of his emergency fund to start the Commission functioning.

As indicated by my able colleague, Representative SHELLEY, a member of the subcommittee handling this matter, an appropriation of $750,000 will provide ample funds for the operation of the Commission for the first full year of fiscal operation. I support the appropriation wholeheartedly.

Mr. VANIK. Mr. Chairman, I want to take this opportunity to support the amendment of my distinguished colleague, Hon. LOUIS RABAUT, of Michigan, to provide $750,000 for the Commission on Civil Rights in the general Government matters appropriation bill.

At last year's session of Congress this entire issue was thoroughly and completely debated, and the need for the Commission on Civil Rights was completely justified during the course of the debate. The establishment of the Civil Rights Commission met with more general acceptance than any other phase of civil-rights legislation.

This Commission has the function to fill a very vital need in the administration of civil rights laws. With power to investigate, study, and collect information concerning economic, social and legal developments which constitute a denial of equal protection of the laws,

it can make a tremendous contribution to the national welfare.

In order to function properly the Commission will need staff and operating funds. It seems to me that the appropriation set forth in the Rabaut amendment is a minimum amount to commence the important work of this Commission.

It is indeed regrettable that the establishment of this Commission has been so long delayed. Executive inertia for over 6 months has been chiefly responsible. The high purposes of this important legislation deserve speedier and more wholehearted implementation.

If real meaning is to be given the civil rights legislation, upon which so many Americans are dependent for their civil and voting rights, this amendment must be adopted.

Mr. Chairman, I yield such time as he may desire to my distinguished colleague, the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, this is just a matter of playing square with the American people. We have no moral right to pass legislation as a gesture one year, and kill it next year by the device of denying money for its operation. Last year we enacted legislation that raised us in the esteem of mankind. For the first time in the history of the Congress the legislative roadway was opened for the enforcement and protection of the civil rights of all our people. For right and decency the Congress of the United States, with the acclaim of all the world, took its stand. To vote down this amendment would undo all that so nobly was done in the first session. It would be a slap at right and decency. By an act of the second session all the glory that had been written into the 85th Congress by an act of the first session would be erased. It is unthinkable. I hope the amendment will be adopted by a tremendous majority.

Mr. VANIK. I concur in the remarks of my distinguished colleague [Mr. O'HARA].

Mr. TABER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am for this amendment. I am for it because I believe this Commission, headed by Dr. Hannah, the President of Michigan State University, and containing five other gentlemen of very great standing and ability in this country, none of them protagonists of the so-called civil rights bill last year which by the way, I did not support—I am satisfied that those six men, sound and able, will perform their duties in such a way as to lessen the tensions between the races and among the people of this country. For that reason, I believe we should supply them with the funds they need to operate with and do it graciously. It will be a mistake if we decide that we are not going to do everything possible to get this situation straightened out. Every backward move that we make is going to make the whole situation more disturbing. For that reason, I feel that we should appropriate these funds and give these gentlemen a chance to go ahead and do their job and do it in the right way.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. ANDREWS) there were—ayes 67, noes 44.

Mr. ANDREWS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ANDREWS and Mr. RABAUT.

The Committee again divided; and the tellers reported there were—ayes 105, noes 65.

So the amendment was agreed to.

The Clerk read as follows:

FOREIGN CLAIMS SETTLEMENT COMMISSION

Salaries and expenses

For expenses necessary to carry on the activities of the Foreign Claims Settlement Commission, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $50 per diem for individuals; expenses of attendance at meetings concerned with the purposes of this appropriation; not to exceed $11,000 for expenses of travel; advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the Commission; hire of motor vehicles for field use only; and employment of aliens; $600,000, of which $85,000 shall be derived only from the war claims fund created by section 13 (a) of the Wars Claims Act of 1948 (Public Law 896, approved July 3, 1948) and not to be available for obligation after June 30, 1959.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in defense of a great and good American, namely, Whitney Gillilland, Chairman of the Foreign Claims Settlement Commission.

The committee saw fit to say in the report:

It would appear that the Commission, with the concurrence of the Budget Bureau, is tending toward self-perpetuation.

Mr. Chairman, that statement is not called for by any stretch of the imagination, because Mr. Gillilland, first of all, would not spend one dime of the American people's money that was not completely justified. But it so happens that Mr. Gillilland and his Commission are not spending a single dime of the American people's money. The money available for this Commission to expend comes out of impounded foreign funds. Congress in 1948 passed the War Claims Act. Then it was necessary to set up a Foreign Claims Commission to handle all of those foreign claims numbering tens of thousands after the United States Government had impounded money in this country in order to pay many justified claims of people in those respective foreign countries. Facts are claims coming under the jurisdiction of this Commission numbers over 600,000.

I shall read into the RECORD a letter to me from Mr. Gillilland:

FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES,
Washington, D. C., March 31, 1958.

Hon. BEN F. JENSEN,
House of Representatives.

DEAR BEN: This letter is in response to your request to be advised as to what basis, if any, there may be for the following language appearing at page 5 of Report No. 1332, House of Representatives, 85th Congress, 2d session:

"It would appear that the Commission, with the concurrence of the Budget Bureau is tending toward self perpetuation."

There is no basis for this statement.

It may be that the committee had in mind the fact that the old War Claims Commission, operating under the War Claims Act, did have a fixed termination date. On January 8, 1954, when I was before the House Appropriations Committee on the budget of the War Claims Commission, of which I had just become Chairman, I was asked by Mr. Phillips (p. 191 of the record) as to the life of the Commission. I responded, "March 31, 1955." At page 214 of the record I was asked by Mr. Andrews, "Mr. Chairman, do you think you will be able to meet the deadline for closing this agency?" I responded, "That is correct."

Two days before that, on January 6, 1954, Congressman CARL HINSHAW introduced a bill to extend the time for filing claims on certain measures which were then being administered by the War Claims Commission. When testifying before the committee concerning this measure I offered objection to the fixing of dates which would tend to extend the life of the War Claims Commission. The measure became law and subsequently testifying before the Appropriations Committee (p. 871), when the supplemental appropriation was under consideration to support the new measure, I said, "There never has been any time, I assure you, that there has been any desire on the part of anyone I know of in connection with the War Claims Commission to extend the life of this Commission 1 day or 1 second past March 31, 1955, for that purpose."

I meant what I said on those occasions and I have never changed my philosophy about it at any time. However, the Congress in enacting Public Law 615, 83d Congress, August 21, 1954, extending prisoner of war and civilian internee benefits to sufferers from the Korean conflict removed the bar, that is, at that time the Congress removed any termination date from the War Claims Act. Very likely they had in mind the fact that Reorganization Plan No. 1 of 1954 had then become law. This reorganization plan combined the activities of the International Claims Commission and the War Claims Commission in a new Commission, to wit, the Foreign Claims Settlement Commission of the United States. Authority for the International Claims Commission was to be found in the International Claims Settlement Act. It never was intended to be a temporary agency. All of the active claims loads now being administered by the Foreign Claims Settlement Commission arise under the International Claims Settlement Act.

The reason given by the committee for the removal of the bar under the War Claims Act was the belief that the Communists continued to hold prisoners of war who might subsequently be released and that it was important to be certain that there would be continuing jurisdiction over such claims.

In transmitting Reorganization Plan No. 1 of 1954 to the Congress the President said, among other things:

"Reorganization Plan No. 1 of 1954 provides a single agency for the orderly completion of present claims programs. In addition, it provides an effective organization for the settlement of future authorized claims programs by utilizing the experience gained by present claims agencies. It provides unified administrative direction of the functions concerned, and it simplifies the organizational structure of the executive branch. I urge that the Congress allow the reorganization plan to become effective."

This plan went into effect July 1, 1954. As above pointed out this plan combined the functions of the International Claims Settlement Act and the War Claims Act. The

International Claims Settlement Act assigned to the Commission, at section 4, the duty to receive and settle claims against Yugoslavia within the terms of the Yugoslav Claims Agreement "or included within the terms of any claims agreement between the Government of the United States and a foreign government—similarly providing the settlement and discharge of claims—of nationals of the United States against a foreign government, arising out of the nationalization or other taking of property, * * *."

That the Commission was intended as permanent is clearly shown by section 6 of the act limiting the Yugoslav claims settlement period which includes the following language:

"Nothing in this provision shall be construed to limit the life of the Commission or its authority to act on future agreements which may be affected under the provisions of this legislation."

Further language in the text of the act which renders this conclusion inescapable is found at section 317, which permits an attorney, at any time within 3 months after the completion of a particular program, to file an application with the Commission to fix his fees.

The following language appears in the report of the Senate Committee on Foreign Relation (S. Rept. No. 800, 81st Cong., 1st sess.), when the International Claims Settlement Act was under consideration:

"The United States is pressing claims of similar nature against other governments. As it succeeds in pressing such claims, the money received will be apportioned among the claimants by the same procedure and mechanism, though it is conceivable that this basic act may require some amendment from time to time to meet particular situations.

"However, the new features and provisions recommended in the proposed bill are deemed necessary and desirable because of the special nature of recent nationalization programs in foreign countries. Such programs tend to involve the expropriation of virtually entire industrial and agrarian economies. Major scale nationalization programs developed in certain countries shortly after the termination of hostiilties in World War II.

"Thus far, the Yugoslav claims settlement agreement of July 19, 1948, is the only postwar lump-sum settlement agreement, but negotiations leading to the same end are in progress with other governments, for example, Czechoslovakia. The Commission would be authorized to adjudicate claims of American nationals if lump-sum agreements result."

In testifying before the House Committee on Foreign Affairs in support of this measure, Mr. Jack B. Tate, who was then the Department of State's acting legal adviser, said, among other things:

"The committee will observe that the bill is so framed as to permit without further Congressional action the similar adjudication and payment of claims of American nationals which may be covered by any similar en bloc settlement, which the United States may conclude with countries other than those with which we were at war during World War II.

"We have in mind the possibility of concluding agreements along the same lines with Czechoslovakia, Poland, and so forth."

A great many other examples of the same kind could be cited. However, this illustrates roughly the frame of reference within which the Commission has operated. A number of different claims measures have been assigned to the Commission. Not one of them has been initiated by the Commission. Every one of them has been carried out and completed within the time which the Congress has prescribed.

We have in many instances been called upon by committees of Congress and other agencies of Government to comment and advise concerning various legislative measures. We have from time to time, upon the request of committees of Congress and other agencies of Government assisted in the revision and drafting of proposed legislation. We never have inaugurated any one of these measures, nor taken any steps of any kind which could be considered as intending to perpetuate the agency. What we have been doing here is carrying out our duty within the frame of reference of the President's reorganization plan and the measures which the Congress has charged us with administering.

Sincerely yours,
WHITNEY GILLILLAND,
Chairman.

Mr. Chairman, I have known Mr. Gillilland for the past 40 years. His home is in Glenwood, Iowa, in my District. We made Whitney Gillilland judge of the district court, when he was 34 years old, because of his outstanding ability, and his fine reputation as an upstanding American, and an honorable, able attorney.

Immediately after President Eisenhower was elected in 1952, he was urged to come to Washington to be Mr. Benson's assistant. He left a big law practice, at great expense to himself, but he felt dutybound to do his part for his country. After being with the Department of Agriculture a short time, he was appointed Chairman of the Claims Commission.

Mr. Gillilland is not attempting to perpetuate himself in office. He could go back home and make dollars where he is making dimes today. The language which is now in the report cannot be stricken because of parliamentary rules. I hope, however, that the objectionable language will be stricken when the bill reaches the other body, or in conference.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I am pleased to yield.

Mr. ANDREWS. I share the high regard the gentleman has for Mr. Gillilland. As I told the gentleman, I am speaking personally and not for the subcommittee, but we will do what we can at a later date to remedy the situation.

Mr. JENSEN. I believe the gentleman realizes, now after he knows all the facts, that the language in the report is uncalled for.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Pennsylvania.

Mr. FENTON. I certainly feel that the gentleman's complaints are justified and I believe also that the matter can be worked out.

Mr. JENSEN. I thank the gentleman.

The Clerk read as follows:

SEC. 208. During the current fiscal year, the provisions of Bureau of the Budget Circular A-45, dated June 3, 1952, shall be controlling over the activities of all departments, agencies, and corporations of the Government: *Provided,* That said circular may be amended or changed during such year by the Director of the Budget with the approval of the chairman of the Committee on Appropriations of the House of Representatives: *Provided further,* That the Bureau of the Budget shall make a report to Congress not later than January 31, 1959, of the operations of this order upon all departments, agencies, and corporations of the Government: *Provided further,* That, notwithstanding the provisions of any other law, no officer or employee shall be required to occupy any Government-owned quarters unless the head of the agency concerned shall determine that necessary service cannot be rendered or property of the United States cannot be adequately protected otherwise.

SEC. 209. Pursuant to section 1415 of the act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of acts requiring or authorizing the use of such credits) and for liquidation of obligations legally incurred against such credits prior to July 1, 1953, only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided,* That such credits received as exchange allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury: *Provided further,* That nothing in section 1415 of the act of July 15, 1952, or in this section shall be construed to prevent the making of new or the carrying out of existing contracts, agreements, or executive agreements for periods in excess of 1 year, in any case where such contracts, agreements, or executive agreements for periods in excess of 1 year were permitted prior to the enactment of this act under section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b) (2)), and the performance of all such contracts, agreements, or executive agreements shall be subject to the availability of appropriations for the purchase of credits as provided by law.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 14, line 21, after the word "law," insert a new section which shall read as follows:

"SEC. 210. No part of any appropriation contained in this act, or of the funds available for expenditure by any individual, corporation, or agency included in this act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress."

Mr. ANDREWS. Mr. Speaker, speaking for this side, we will accept the amendment.

Mr. GROSS. I thank my friend from Alabama.

The amendment was agreed to.

The Clerk read as follows:

SEC. 210. This act may be cited as the "General Government Matters Appropriation Act, 1959."

Mr. GROSS. Mr. Chairman, I offer a clarifying amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 14, line 22, amend the word and figure "SEC. 210" to read "SEC. 211."

The amendment was agreed to.

Mr. ANDREWS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair,

Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 10589) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1959, and for other purposes, directed him to report the same back with sundry amendments adopted in the Committee of the Whole with the recommendation that the amendments be agreed to and that the bill as amended so pass.

Mr. ANDREWS. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. ANDREWS. Mr. Speaker, I ask for a separate vote on the Rabaut amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Committee amendment offered by Mr. RABAUT: On page 8, after line 7, insert: "Commission on Civil Rights, Salaries, and Expenses: For expenses necessary for the Commission on Civil Rights, including expenses of attendance at meetings, concerned with the purpose of this appropriation, $750,000."

The SPEAKER. The question is on the amendment.

Mr. ANDREWS. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. Without objection, further consideration of the amendment and bill will be postponed until tomorrow.

There was no objection.

CIVIL SERVICE RETIREMENT ANNUITY INCREASES

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 511 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 607) to provide for increases in the annuities of annuitants under the Civil Service Retirement Act of May 29, 1930, as amended, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Post Office and Civil Service now in the bill and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'NEILL. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN] and at this time I yield myself such time as I may use.

Mr. Speaker, House Resolution 511 makes in order the consideration of H. R. 607, the civil service retirement annuity increase bill. The resolution provides for an open rule and 2 hours of general debate on the bill. Since the Post Office and Civil Service Committee struck all after the enacting clause, the resolution waives points of order and provides that the committee substitute shall be considered as an original bill for purposes of amendment.

H. R. 607 proposes to give retirees who were on the annuity roll on or before October 1, 1956, a 10 percent increase subject to certain conditions and limitations. These are: no additional annuity which an employee purchased at retirement will be increased; no annuity will be increased to an amount in excess of $4,104, the ceiling established for annuity increases by Public Law 369 of the 84th Congress; and the increases are not payable to a retiree who earns more than $1,200 a year from wages, salary, or income from self-employment.

Survivor annuitants on the roll this same date, October 1, 1956, will also receive an increase of 10 percent, but not to exceed $200. Annuities are provided for unremarried widows and widowers of employees and retirees who died after 10 years of service, either in service or after retirement, prior to February 20, 1948. The surviving spouse must have been married to the employee or retiree for at least 10 years prior to death, and cannot be receiving survivors annuity under any other provision of the law. The amount is one-half of the annuity earned by the employee or retiree, but cannot exceed $750 a year. The annuity terminates upon remarriage or death of the survivor.

The bill would be effective 60 days after enactment into law. The annuities and increases granted by this bill are to be paid from the civil service retirement and disability fund through the fiscal year ending June 30, 1960, and thereafter will be terminated for any fiscal year for which Congress fails to make appropriations to compensate the fund for the cost of the annuities and increases in annuities. However, if the independent offices appropriation bill becomes law prior to the enactment of H. R. 607, by the provisions of the appropriation bill, Congress will be required to appropriate funds immediately and before any increases in annuities can be granted.

I urge the adoption of House Resolution 511.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no one opposed to this rule.

I reserve the balance of my time.

Mr. O'NEILL. Mr. Speaker, I move the previous question.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MURRAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 607) to provide for increases in the annuities of annuitants under the Civil Service Retirement Act of May 29, 1930, as amended.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 607, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MURRAY. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, H. R. 607 was introduced by me on January 3, 1957. The bill, as amended in the committee and as it is now before the committee, provides for an increase in the benefits of retirees of 10 percent.

Mr. Chairman, this bill would cost for the first year $58 million. The total cost of this bill over the years in which it will operate will be $552 million. There are 230,000 retirees now on the rolls who would benefit by the provisions of this bill. There are 80,000 survivors of retirees on the rolls who would benefit by its provisions.

The bill also would bring in a few widows of former civil service employees who have heretofore not had any survivor benefits whatever. This bill would bring in the widow or the widower of an employee with 10 or more years of service who died either in the service or retired before February 29, 1948. This class of survivors has heretofore not had any survivor benefits or retiree benefits whatsoever. This bill provides that this class of survivors who would be brought in must have been married 10 years, be unremarried now, and not entitled to any other annuity based on the service of such deceased employee. This bill will provide for the survivor one-half of the retiree's annuity, with the maximum benefit limited to $750. The money now in the retirement fund amounts to $7,512,371,942.

This is a cost-of-living increase and it is one which is very badly needed by the people who will benefit under the provisions of this bill. I call your attention to page 2 of the committee report on this bill which was issued on August 21 last year. I refer you to the bottom of page 2, where this language is carried:

The committee emphasizes that the increases provided by this legislation will inure to the benefit of those annuitants and survivors who face the greatest need and whose incomes in many instances are inadequate to maintain the decent standard of living to which retired employees of the Government are entitled. Relief of hardship in such cases constitutes a moral obligation on the part of the Government which in an inflationary economy warrants the ex-

tension of benefits above and beyond those already provided by law. These annuitants, on small, fixed incomes, are the real victims of inflation. They have but one source of relief; that is, the Congress of the United States.

The next paragraph carries this language:

This view is supported by the United States Civil Service Commission, the agency charged with the administration of the civil service retirement system. The report of the Commission on pending annuity increase bills quoted with approval the following statement from the fifth report of the Committee on Retirement Policy for Federal Personnel:

That committee is known as the Wright Committee and was appointed by the President. And I quote here that part of the Wright Committee report which the United States Civil Service Commission in its report quoted with approval.

The problem of adjusting the annuity benefits of retired employees and of the survivors of former employees is one which must be resolved from time to time as circumstances require, e. g., a substantial increase in the cost of living. The committee believes that it is incumbent on the Congress when adjusting the current pay of Government employees, or when liberalizing the benefit formula for future annuitants, to reexamine the benefits paid to annuitants already on the rolls with a view to adjusting their annuities as warranted.

That is a quotation from the Wright Committee appointed by the President; it was quoted with approval in the report from the Civil Service Commission.

I want to say at this point, however, that the Civil Service Commission does not endorse this bill. In their report they stated that they opposed this bill but they, too, recognize the need for the objective which this bill would accomplish; that is, they recognize the need for an adjustment of the benefits paid to annuitants already on the rolls because of these matters set forth in this quotation.

Mr. Chairman, I call your attention to this fact: Since 1955, which was the year of the last annuity increase, the cost-of-living increased 7 percent. It is said by some of the people who have studied this cost-of-living increase that that figure does not carry all of the actual increase in the cost of living; that when you go to the grocery store to buy the necessities of life you find that their increased cost since the last increase to these annuitants is actually more than 7 percent. This bill carries only 10 percent. It will be some time, if ever, before there will be another increase to these annuitants and I daresay that the 10-percent figure provided in this bill will very soon be reached by the constantly increasing cost of living.

There has been a good deal said from time to time about whether or not the retirement fund is a solvent fund. That is a question which is open to argument. Some of the people who oppose this bill say that the fund is insolvent and that there is a deficit of $18,600,000,000, but I am not an actuary and I am not prepared to state whether or not that is an accurate figure. I do know that the Federal Government has failed to pay in more than $2 billion of the money which it would have been required to pay in in order to equal the payments to the retirement fund by the employees. The fund now has approximately $7½ billion in it. If the Federal Government should catch up with the employees in their contributions it would have, of course, some $9½ billion or nearly $10 billion in the fund.

I believe this is good legislation. I think it is high time that these annuitants who have suffered probably more than any other class of people from the increased cost of living with their fixed incomes should have this recognition.

I want to say a word of appreciation to the gentlewoman from Idaho [Mrs. PFOST] who has been so helpful and so cooperative in holding the hearings in subcommittee and in getting the report out and in going before the Rules Committee and asking for a rule.

I also want to express my appreciation to all the other members of the committee who have been so helpful and so cooperative in getting this legislation before the House.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Washington.

Mr. PELLY. I wonder if the gentleman would indicate if certain groups of retired civil servants are eliminated from any increase by this bill, H. R. 607.

Mr. DAVIS of Georgia. I presume the gentleman is referring to those who retired since October 1, 1956?

Mr. PELLY. I had understood that this legislation as it was passed in the other body did provide for two deserving groups.

Mr. DAVIS of Georgia. If the gentleman is referring to those who have retired since October 1, 1956, I would state to him that they have received or will receive in legislation which was adopted in 1956 an increase of approximately 25 percent, whereas this bill carries only 10 percent. So I think they have been adequately provided for. In fact, they received a larger increase under the provisions of the 1956 bill than the beneficiaries of this bill will receive, which is 10 percent.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, I rise to support this legislation, H. R. 607, which will grant an additional 10 percent to our former employees who are presently on the annuity rolls.

I believe we as Members of the House have a very serious responsibility when it comes to approaching the legislation dealing with our former employees. As I stated when we were debating this subject on the independent offices appropriations bill, we as Members of this body are trustees of this fund that belongs to the employees of the United States both present and past. As a result, we have a responsibility to be mighty sure that this fund is a sound fund and will be able to meet its commitments in the future years.

H. R. 607 provides a 10 percent increase for those who were on the retirement rolls prior to October 1, 1956. Anyone receiving over $4,104 receives no increase. It seems to me that one of the key provisions of this legislation will be found in section 5 on page 6. Under the provisions of this bill, anyone who is presently on the retirement rolls who has by gainful occupation, either by being self-employed or otherwise, received $1,200 a year or more, does not participate in any increase in their annuity under the provisions of this act. The reason for that is simply this. You cannot justify an increase in the annuity over and above that which was earned by an employee during his time of service except on the basis of some reasonable need. The amendment to this bill was put on the bill by unanimous agreement of every member of the Committee on Post Office and Civil Service. When this was taken up, no one voted against the inclusion of this $1,200 provision. I might say this bill came out of the committee with an almost unanimous vote. I believe there was one member who opposed the enactment of this legislation. It seems to me that we can do and we are doing a real service for our retirees if we pass this legislation. There is another provision in the bill which says that for the next 3 fiscal years the amount of increase under the bill can come out of the present retirement fund. However, after 1960 appropriations will be needed in order to maintain the provisions of this particular bill. I urge that we adopt this bill just exactly the way it is and I believe, if we do, we will be rendering a real service to those who are on the retirement rolls at the present time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield 10 minutes to the gentlewoman from Idaho [Mrs. PFOST].

Mrs. PFOST. Mr. Chairman, I rise in support of this bill because I am thoroughly convinced that it is a just measure, and there is a desperate and urgent need for its passage.

Few bills have come to the floor with such strong support. The House Retirement Subcommittee had before it 141 bills introduced by individual Members to increase annuities of retired employees. The great majority of these bills provided annuity increases 2 or 3 times greater than those reported by our committee in H. R. 607.

There has been a great deal of discussion these past few days as to whether the House should adopt S. 72, the bill passed by the other body, in place of the measure which is before us today.

Let me assure you that the subcommittee worked long and diligently to try to write the best possible bill we could. The full committee debated the matter when the bill came before it, and reported the subcommittee's bill with only a few changes.

Our deliberations on this legislation disclosed the existence of serious inequities and inconsistencies in the amounts and relationships of benefits payable under the civil service retirement program. This bill is not a cure-all. We know that other changes must be made, so we asked the Civil Service Commission to conduct a study and make an

analysis of the present annuity structure of the methods of adjusting annuities and report its recommendations back to the committee.

Meanwhile, however, something must be done for the annuitants who retired prior to October 1, 1956, and their survivors. Their annuities are now too meager to provide even the necessities of life in view of the constantly rising cost of living. We want to put some money in their pockets to meet those rising costs—to give them more than mere promises. And we do not want to pass a bill that will be most assuredly vetoed by the White House.

Many people have asked, "What is the difference between H. R. 607 and S. 72?" One of the major differences is the cost itself. S. 72 would cost $86 million the first year, or a total of $893 million. The bill before you today would cost $58 million the first year, or a total of $552 million. There is also a difference between this bill and the Senate measure, in that this particular bill provides for a limitation on earned income of $1,200 a year.

The bill will benefit some 230,000 retirees now on the rolls, and some 80,000 survivors of employees—a total of 310,000 people. It will also provide annuities for 26,000 persons whose spouses died prior to February 28, 1948. It is estimated it will cost only about $84 million to bring these people under the retirement system—or an average of about $8 million a year.

I have never worked on a bill that has given me more satisfaction that working on this particular measure. There is no doubt that the people to whom we are giving this assistance need it very badly. Twenty years or so ago, when a great many of them took out retirement, they thought they were making provision for a substantial part of their retirement needs. But the 100-cent dollars they fed into the civil service retirement fund are now coming back to them as 49-cent dollars, and they simply cannot make them stretch.

One of their big problems is medical expenses—that financial bugaboo of middle age and beyond. As one retiree put it, the doctor who used to make a house call for $2.50 now charges $10—and she needs more house calls these days. Prescriptions cost 2 or 3 times what they did, and as for hospital costs—well they are up almost 200 percent over 1939.

Clothes wear out and have to be replaced, and they are far more expensive than they were. One retiree told me that the shoes she purchased regularly for years at $6.50 per pair now cost $22. A retired couple say that the taxes and upkeep on the house they worked for years to buy as a retirement home have gone up so much that they have to rent it and live in a trailer to make ends meet.

But I do not have to tell you Members how hard hit the retirees are—your own mail tells you every day.

Mr. Chairman, H. R. 607 provides only a 10 percent increase, subject to conditions and limitations. I realize it will by no means make up to annuitants the rise in the cost of living since most of them took out their annuities. But it will help to pay some of their bills—or will buy an extra sack of groceries or two.

Since no annuity will be increased to an amount in excess of $4,104 by this legislation, and it will not go to anyone who earns more than $1,200 a year, I feel that it does what we set out to do—to give relief to those who have the smallest annuities and little outside earned income.

The author of the bill, the gentleman from Georgia [Mr. DAVIS], called your attention to the fact that in the past 2 years the cost of living has risen 7 percent, and that prior to that time it had risen more than that. Passage of the bill is needed to put adequate food on the table of may of the retirees who will benefit by it.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I rise in support of this legislation. I think it would be more accurate to state that I rise in support of the general intent and general objective of this legislation. I feel that the bill as presently written is somewhat meager. Certainly it is a compromise of the approximately 160 bills that were introduced and considered by the committee. I think we can all agree to the fact that there is no group of our citizens who are more seriously affected by inflation and the increased cost of living than our senior citizens who are in their declining years, no longer physically able to maintain gainful employment and are dependent upon either fixed annuities or insurance policies or savings for their existence. We have recognized the problem of inflation and increased cost of living to a certain extent among all other groups for whom we are responsible. We have a reasonable bill pending now to increase the salaries of all active Federal employees; and, as you know, we not only recognized that it was desirable and fair to increase the salaries of military personnel, but necessary in order to maintain an adequate Defense Establishment.

If we had recognized the problem of inflation to the annuitants each time we acted upon salary increases for active employees, we would not be concerned with this problem now. We do it for a number of other groups, for instance, for the District of Columbia policemen and firemen. It is in the statute that whenever we grant an increase to active police and firemen we automatically grant the same percentage of increase to those on retirement.

I believe it has been a matter of custom that whenever we grant an increase for the active military personnel we also grant the same general percentage of increase for those on the retired rolls, but somehow or other we have always failed to do so when we grant an increase to active Federal employees, and it has necessitated its coming up in separate legislation for these people who have no other place to go but to Congress. Yet each time we get involved in argument and confusion over the justification for an increase in these annuities.

Actually, we have granted some modest increases for these annuitants over a period of years, but it certainly does not place them in the same ratio of spending power that they would have had, had similar provisions been made for them each time we increased the salaries of the active employees.

For example, take a GS-4 with 30 years of service who retired 10 years ago. He would have received as an active employee approximately $2,770. Today he is receiving approximately $100 a month annuity. If that same GS-4 were retired today with 30 years of service, under the retirement policy we adopted in 1956 he would receive over twice that amount.

I said a moment ago that there is enough interest and concern with this problem among the membership of this Congress that between 150 and 160 of us have introduced legislation providing for a substantially greater amount than is provided in this bill.

The other body has passed a bill, S. 72, which would grant a little less than we ask for in the 150 or 160 bills, but I think it would be a better compromise than what is contained in this bill, H. R. 607, in that it would grant a 20-percent increase on the first $1,500 of annuity and 10-percent on all over that amount to a total of $600, whereas in this bill we grant an increase of 10-percent across the board with a maximum annuity of $4,104, which in the final analysis actually amounts to a ceiling of $350 or $375.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. HYDE. I would like to congratulate the gentleman on his statement and am really glad he made the remarks he did with respect to Senate bill S. 72. I think that bill has many features that are preferable to this one. I congratulate the gentleman.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. PELLY. I was very much interested in what the gentleman had to say with regard to S. 72. I certainly commend him for his interest in retired Federal employees, an interest which I share. I was wondering if the gentleman had in mind offering as an amendment the provisions of S. 72.

Mr. BROYHILL. At the proper time I intend to offer an amendment to strike out all after the enacting clause and insert the text of S. 72. If we adopted the Senate bill as an amendment it would obviate the necessity of going to conference with the other body, and it would then be possible to grant our annuitants a larger increase.

Mr. PELLY. I am very glad to hear the gentleman is contemplating such a move. I will be very glad to support it.

Mr. LANKFORD. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. LANKFORD. I, too, would like to join my colleague from Virginia and join in his statement and the stand he

has taken with regard to S. 72. I am fully in accord with his statement.

Mr. BROYHILL. I thank the gentleman.

Mr. Chairman, as I pointed out before, the major difference between the two bills is 20 percent on the first $1,500 and 10 percent on all over that amount for a maximum of $600 in the Senate bill, and in this bill a 10-percent across-the-board increase with a ceiling somewhere in the neighborhood of $375. This $4,104 ceiling, I think, does discriminate against the employees who contributed a greater portion of their working years to the Federal Government. An employee cannot get an annuity in excess of $4,104 unless he did contribute somewhere in the neighborhood of 20 to 25 or 30 years of service. To keep this limitation does favor those who contributed less of their working years to the Government and penalizes those who contributed the greatest portion.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Indiana.

Mr. HARVEY. I would like to ask the gentleman what was the exact thinking for this conclusion? Why was this provision inserted? There must have been some justification for it.

Mr. BROYHILL. I can answer that in somewhat of a facetious tone. They must have considered the annuitants who were making $4,104 or over as fat cats and are not affected by the increase in cost of living. The position was taken they did not need a cost of living increase. But this is a moral obligation that the Congress has to former employees of the Federal Government to compensate them for the increase in the cost of living and the inflation that has cut down the purchasing power of the annuitants.

Mr. HARVEY. Is it not the philosophy of the retirement system that you are supposed to get back in proportion to what you paid in? This is not a welfare program in that sense at all, is it?

Mr. BROYHILL. The gentleman is absolutely correct. However, we do recognize the plight of the lower annuitant, the annuitant receiving a lesser amount but, by the same token, the annuitant that is receiving the lesser amount did contribute less money to the retirement fund as well as in many cases less number of years' service.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Michigan.

Mr. CEDERBERG. It was generally understood from the witnesses who appeared before our committee in support of the legislation that most of the case was based on the fact those who were receiving less annuity needed more cost of living dollars today. That is the reason for the limitation. I might say this is not new. It has been in previous increases in annuities. The only possibility I can see where you could justify an increase in an annuity over and above is time of service. Actually these figures, to make this actuarily sound, are based on what he receives when he works. His annuity is based on that contribution. When you increase it over and above that you have to increase it on the basis of need.

Mr. BROYHILL. I sympathize with the gentleman from Michigan and the plight of the lower annuitants but, still, we have the same percentage of moral obligation to those employees who contributed a larger amount and spent a larger number of years in the service of the Federal Government. We have the same proportion of responsibility to them as we do to those who spent a less amount in the Government.

I would like to repeat that we have here what I feel is a moral obligation to those people who have given the greater part of their lives to the service of the Federal Government. I do not believe there is any Member of this body who would like to have these people spend their declining years in deprivation and poverty and have to depend on charity for a livelihood.

There has been reference to the alleged large actuarial deficiency and to the unfunded liability of the retirement fund and to the financing of the fund on the normal cost, plus interest on the deficiency basis. Apparently he assumes that the method established by Congress of financing the fund is on a normal cost, plus interest on the deficiency basis. He is entirely wrong in that assumption. His conclusions and statements are based upon an incorrect assumption and, therefore, are worthy of slight consideration.

The normal cost, plus interest on the deficiency method of financing has never been established by Congress and despite the repeated recommendations of the actuaries over many years in favor of fully funded or normal cost, plus interest on the deficiency basis, the Bureau of the Budget and the Congress have consistently and repeatedly disregarded such recommendations. They have never appropriated one dollar for interest on the deficiency. Instead the Congress has consistently insisted upon financing the fund on a pay-as-you-go basis. The latest action of Congress in following the established pay-as-you-go precedent was during the 1st session of the 85th Congress when we failed to appropriate an item of $550,000,000 for interest on the deficiency which the actuaries recommended.

That the pay-as-you-go policy established by Congress showed good business judgment in the past by the Members of Congress is evidenced by the successful operation of the fund over a period of 37 years during which the fund grew from zero in 1920 to over $7,800 million at the present time. This was accomplished despite the fact that the fund was started with extremely large liabilities due one, to retiring thousands of employees on annuities in 1920 who had never paid one dollar into the fund; and two, to the free time allowed to future retirees because all Government service previous to 1920, and all military service at any time, was included in the computation of their annuities upon retirement. In addition the Congress has on several occasions made deserved and liberal adjustments in the formula for computing the annuities. Consequently the liabilities of the fund do exceed its assets and thus there is a so-called unfunded liability. However, as explained by the Director of the Bureau of the Budget, in a recent statement to the House Appropriations Committee, it is entirely unnecessary for the Government to finance the fund on a funded basis or on a normal cost, plus interest on the deficiency basis.

He said:

> To imply that because it is not fully funded, the retirement fund is being somehow mismanaged and that it is bankrupt is to call into question the full faith and credit of the United States Government. The Retirement Act promises to make certain payments under specified conditions, and regardless of the size of the balance in the retirement fund at any particular time, these benefits will be paid because the promise to do so is backed by the full faith and credit of the Government. There are no conditions attached. It is a perfectly open and straightforward obligation.
>
> While there are very strong reasons for full funding of private pension plans, these reasons do not apply in the case of the civil-service retirement system. The most important reason for full funding of private plans is to assure employees that they will receive the benefits they have earned even though the employer may go out of business. We have never thought it necessary to make provisions for the Federal Government going out of business.

The so-called unfunded liability was 22 times the assets of the fund in 1921 and all annuities were promptly paid on the due dates. It was reduced to 5 times the assets by 1940 and by 1958 it has been reduced to 2½ times the assets. Under the provisions of Public Law 854 of the 84th Congress, which most of you voted for making it mandatory for the Government to annually match the contributions of the employees and with the fund earning interest on the balance in the fund we have an assured income on the pay-as-you-go basis which will permit us to pay all annuities on the due day for an extremely long time—at least 35 years—without an additional appropriation, and if the interest rate on the balance is increased to a fair rate of about 3⅓ percent we will be able to pay all annuities at all future times without an appropriation for interest on the deficiency and eventually the so-called unfunded liability will disappear. In plain words, the fund will then be financed into perpetuity.

Considering this encouraging situation, should we not pass this bill which will provide a decent American standard of living for the present retirees who have been "hit below the belt" by inflation? This bill will not require an increase in income taxes. It will withdraw only about $80 million from the retirement fund in 1959 and only about $70 million in 1960. Certainly this moderate amount will not place the fund, now at $7,800,000,000 in a precarious condition or jeopardize the annuities which will be due future retirees.

If in 1961 we feel that a special appropriation is advisable to finance these increases we can then appropriate the necessary funds. In the meantime let us pass this bill and now give the deserving aged, the sick and disabled retirees the

moderate increase the bill provides so they can face the rapidly increasing cost of medical care, of groceries, and of other absolute necessities. We voted last week on a military pay bill which will give all retirees in the military service an increase in their pensions. We voted the week before to give the widows of lighthouse keepers a substantial and deserved increase. Having set a precedent by voting increases to these two groups, we should not discriminate against the civil-service retirees who loyally devoted the best part of their adult lives serving their Government. We should vote them a substantial increase today.

Mr. MURRAY of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. MORRISON].

Mr. MORRISON. Mr. Chairman, I rise in support of this bill which I think is one of the most meritorious bills this Congress will act on during the present session.

Mr. Chairman, I especially want to compliment the gentlewoman from Idaho and the members of the subcommittee for doing a thorough and an outstanding job on this. They came up with a unanimous report on a bill that was brought before the full committee. The full committee passed it practically unanimously, with only one dissenting vote in the full committee. They spent a lot of time going over this bill. They did it in a very thorough way and I think they have come up with a good sound bill.

When you consider these people who do not have many years to live and who have really been the forgotten people of this country when it came to increased living costs—and many of them have had to struggle—this bill will correct a lot of inequities. Not only will it give those people something to look forward to in the future but, also, it will help them as soon as this bill becomes law. I think that it is the responsibility of this Congress to put this legislation into effect. The other body has just passed a similar bill which is more liberal. I can assure you that if we pass this bill we will certainly be doing justice—justice that is long overdue—for the retired Federal employees who do not have many more years to live.

I think that this country of ours owes it to all of our people who served their country faithfully, to see to it that when they retire they will have retirement incomes which take into consideration the cost of living. Although this bill does not completely bring their incomes up to the increased cost of living, yet it will be a *big help* to all of them.

Again, I want to compliment the subcommittee and the full committee on the great job that they have done, and I urge favorable action on this bill.

Mr. Chairman, I introduced the first bill, H. R. 4, in the 85th Congress, to increase civil service retirement annuities. Personally, I felt then, as I feel now, that an increase considerably greater than the one provided in H. R. 607 is fully justified, and my bill would have provided such a larger increase. However, in a spirit of compromise and in order to reach agreement on a bill that can be approved promptly I strongly endorse the bill which has been worked out with such great care by our committee and reported to the House.

The subcommittee to which this legislation was referred held complete hearings. Over 100 individuals appeared in person or presented statements. All with the exception of the Civil Service Commission and the Bureau of the Budget representatives strongly favored retirement annuity increases.

This annuity increase is not only urgently needed, it is moderate, fair, and reasonable. It will help those who most need the increases—those who are eking out a bare existence on very small annuities and who must have added incomes to cope with the continued upward spiral in the cost of living. I might point out that the Consumer Price Index has gone up faster and farther since the last annuity increase in 1955—less than 3 years—than it rose in the 3-year period prior to the 1955 increase. We granted a 12 percent increase on the small annuities in 1955. Certainly, with the accelerated rise in cost of living since that time we should do no less now.

The benefits of this bill will inure primarily to annuitants and survivors who face the greatest need and whose incomes have become inadequate to maintain the decent standard of living to which I think we all agree our retired employees are entitled. Relief of hardships in these cases is a moral obligation of the Government. These people, on small fixed incomes, are the real victims of inflation. This Congress is their only source of relief.

I should like to point out one other pertinent matter: The Civil Service Commission, in its report on the pending annuity increase bills, quoted with approval the following statement from the fifth report of the Committee on Retirement Policy for Federal Personnel:

> The problem of adjusting the annuity benefits of retired employees and of the survivors of former employees is one which must be resolved from time to time as circumstances require, e. g., a substantial increase in the cost of living. The committee believes that it is incumbent on the Congress when adjusting the current pay of Government employees, or when liberalizing the benefit formula for future annuitants, to reexamine the benefits paid to annuitants already on the rolls with a view to adjusting their annuities as warranted.

The Civil Service Commission report goes on to say:

> These are the guidelines not only of the present commission but are the concepts followed by the preceding commission from the time the principles were laid down by the Committee on Retirement Policy in 1954.

The commission is to be highly commended on this position in connection with one of the most serious problems now facing the Congress, that is, an adjustment in the retirement income of our former Federal employees. As I indicated before, the cost of living has risen very rapidly over the past 8 months and from all indications will continue to rise. Every such increase cuts drastically into the assets of the retired employees. It affects them far more than it does other types of income groups because a larger portion of their income must be expended for the bare necessities of life. On this basis alone, immediate consideration must be given to an increase in their annuities if they are to maintain even an absolute minimum standard of living.

This bill also provides for annuities for the unmarried widows and widowers of employees who died prior to February 29, 1948. This annuity is 50 percent of that which their husbands would have received had they been retired. It is, however, limited to a maximum of $750.00 a year. This annuity will also expire if the survivor remarries.

I earnestly believe that this is one of the most meritorious bills that we will have an opportunity to consider in this Congress and that it will have the overwhelming support of the membership. I strongly urge approval of the bill as reported by our committee.

Mr. REES of Kansas. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, I should like, first of all, to commend the members of the subcommittee, and on the minority side of the subcommittee in particular the gentleman from Michigan [Mr. CEDERBERG] and the gentleman from Ohio [Mr. DENNISON] for the very conscientious and excellent work they have done on this legislation.

Mr. Chairman, I rise in support of H. R. 607. In at least two respects this legislation is addressed to correcting wrongs inflicted upon retired employees of the Federal Government. First of all, in increasing the retirement benefits, the bill recognizes and undertakes to offset the thievery of inflation, whose worst effects are on those persons on fixed incomes, particularly those on Government pensions. In the second place, in section 4 of the bill Congress seeks to impose fiscal responsibility on itself by specifying that annuities and increases in annuities shall terminate in any fiscal year starting with the fiscal year 1961 in which the Congress does not appropriate funds to meet the cost of the annuities or the increases in annuities for those years. In both respects it seems to me we are acting responsibly to meet the obligations, the moral obligations, that we have to the Government employees and retirees.

Mr. Chairman, I urge the adoption of this legislation.

Mr. MURRAY. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Chairman, most of our attention in recent months has been directed at the figures on mounting unemployment. Another set of figures, equally menacing to our well-being, has been given much less attention. I refer to the figures on the mounting sky-high cost of living. They have been mounting steadily for years; month after month new record levels are established, even when, as now, we are in the midst of a deep recession.

The legislation now before us would provide some small measure of relief at this time for the desperate plight of

retired Federal employees whose pre-inflation annuities force them in most cases to live below decent minimum standards. Two years ago we put through a considerable improvement in the Federal Civil Service retirement program, but nothing was done for those already retired. Their plight was serious even then. It is now, as I said, desperate.

Certainly we do not have to have any extended debate on the merits of this legislation now before us today. Anyone who ever shops in a grocery store, or pays a milk bill, or pays rent, knows what has happened to living costs, and should know what this means to persons living on fixed incomes. The retired annuitant is backed against the wall. Action is long overdue. The need is terribly urgent.

I am not at all satisfied with the bill which came from the House committee, even though I know my good friend, Congresswoman PFOST, did her very best on this as chairman of the subcommittee. Anything we get through here for the retired employees will be largely as a result of her conscientious, humane, and dedicated work. But let no one think this bill is generous. Far from it.

I will support substituting the Senate bill for this one or, failing that, any amendments to improve this one.

But we must act immediately to get some relief to these faithful employees who gave lifetimes of service to the people and Government of the United States and now suffer terribly from the fixed nature of their inadequate annuities while living costs rise and rise again, like multistaged rockets aimed at outer space.

Mr. REES of Kansas. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. DENNISON].

Mr. DENNISON. Mr. Chairman, as a member of the subcommittee which considered this bill, first permit me to compliment the chairman, the gentlewoman from Idaho [Mrs. PFOST], for the very fair and the very courteous and efficient manner in which she conducted the hearings. And, I would also like to compliment the other members of the subcommittee as well as the members of the full committee. It has been my pleasure to serve on both committees.

Mr. Chairman, this bill, as the gentlewoman has pointed out, has the support of considerably over 100 Congressmen who testified, and it has the near unanimous support of the House Committee on Post Office and Civil Service. It also has my support. The purpose of the bill is to acknowledge the plight of Government workers who retired prior to October 1, 1956. That was the effective date of the Public Law 854 of the 84th Congress providing for increases in retirement benefits. This bill, briefly, has three principles behind it. First, the bill recognizes the debilitating effect of inflation on our older citizens who have fixed incomes. Secondly, the bill recognizes that the Federal Government has a responsibility to take care of those who have devoted their fruitful years to Government service. This is a responsibility that Congress has obviously recognized in the past by granting similar increases as the occasion arose. And thirdly, the bill recognizes to some extent that the increased costs of these annuity benefits must be borne by the taxpayers themselves from appropriations after 1960 rather than from the annuitants who are now contributing and have contributed to the fund.

I should like to say a word or two of warning about this bill. As has been stated the bill itself is not perfect. It represents a compromise. It represents an attempt to bring relief to those who are in need. But I think it would be well for us to consider some of the things that the bill does not do so that perhaps Congress and the proper committee can at the appropriate time consider some of the other phases of this particular problem.

In the first place increases in annuities in many cases in the past have exceeded the cost of living. For example, take a person who retired as a GS-4 with 30 years of service in March of 1948. The cost of living since March 1948, has increased 22.1 percent. His annuity to date, exclusive of this bill has increased 35.2 percent.

Take a postal clerk or carrier with 30 years of service who retired in March of 1948. The cost of living increased 22.1 percent. The annuity increased 35.2 percent. I might point out that the cost of living, according to figures which I obtained from the Bureau of Labor Statistics this morning, increased from March of 1939 to January of 1953 by 75.2 percent, and since that time by 7.4 percent.

A second warning we should point out in connection with this bill is that the greatest need for benefits or for money to retired employees occurs among those who have served the shortest time in the Federal service. The Civil Service Commission submitted a report to the committee during the hearings and we discovered that 40 percent of the annuitants on the rolls as of June 30, 1956, had had 19 or less years of service, and their monthly average annuity was $100 or less.

Secondly, there are certain inequities that will result from the passage of this bill. I should like to point out that an annuitant in GS-4 with 20 years of service who retired in April of 1948 will under this bill receive, having had a 5-year average salary of $2,478, a monthly annuity of $128. The same person in the same job today who retires at a 5-year average salary of $3,808 will only receive $118 in annuity. For 25 years of service a man who retired in April of 1948 will receive $157 and one who retired in December of 1957 will receive $149.

Thirdly, it appears that in the past there have been increases given to annuitants substantially at the same time that increases in postal pay or classified pay have been granted. There has been no attempt to integrate the increases in annuities with the increases in salaries. I would direct the attention of the Members of the House to the fact that I have introduced a bill, H. R. 11380, which will attempt to take care of the inequities of which I have spoken and which will attempt to correlate future annuity increases with salary increases.

Mention has been made of the funding of the liability under this bill. I am glad to see that the bill has made provision for the payment of the increased expense to the Federal Government by appropriation after 1960. It was unfortunate that it was not seen advisable to provide for immediate appropriation of the necessary funds for the benefits to be granted.

Further, I think there ought to be a permanent program which will recognize the service of Government employees and recognize their need. This means considering other income from gainful employment. As the gentleman from Michigan has pointed out, there is provision in this bill that the increase shall not be applicable where a person has gainful employment exceeding $1,200, but in a report which was issued by the Civil Service Commission today in response to the request of the committee there are other sources of income which might well be taken into consideration.

For example, it was developed on a survey at the request of the committee that 26 percent of the present annuitants receive income from social security as well as from the Government retirement fund. Seven-tenths of 1 percent of the annuitants receive income from railroad retirement, 1.7 percent receive income from military retirement pay, 8.3 percent receive income from veterans' pensions or compensation, nine-tenths of 1 percent receive other monthly Federal benefits, 23.8 percent receive either wages or income from self-employment, and 31.6 percent receive income from other sources.

I think that these are items which might well be considered in the future when considering this type of legislation. I think we should do so on the assumption that most of the people in this country would prefer to work than receive any kind of gratuitous handout.

Lastly, I think we must recognize that ultimately this is an obligation of the taxpayers of the country and not of the other persons who are now employed in the civil service.

These are matters which we should think over well in considering this important legislation.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. DENNISON. I yield.

Mr. REES of Kansas. I want to commend the gentleman on the fine statement he has made in regard to this legislation.

Mr. DENNISON. I thank the gentleman.

Mr. MURRAY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Chairman, I have one primary thing to say today, and that is that this legislation is overdue. When the committee reported the bill out last year, it should have been adopted at that time.

As we all know, the situation in our country today, with unemployment, and so forth, being what it is, the retirees as such should have been paid higher annuities prior to this time; that is, the

amount they were entitled to and the amount or value Congress has definitely assured them that upon retirement they will receive.

We as Members of Congress have a responsibility to that extent. I commend the gentlewoman from Idaho and the other members of the subcommittee in reporting out this bill. In regard to the matter that the gentleman from Virginia mentioned about striking out all after the enacting clause and inserting the provisions of the Senate bill, S. 72, I would like to make this comment. I have compared the two bills. The Senate bill, S. 72, is more liberal. I think it has many features that are splendid. But, I think the House should reject the amendment and accept the House bill, H. R. 607, as it stands so that in conference we may take the desirable features of the Senate bill, S. 72, and incorporate them into the House bill, H. R. 607. Both bills have meritorious features and by a combination of both, we can have the best legislation possible.

Mr. Chairman, I support H. R. 607, recognizing that although in its present form it is not the complete answer to the problem of our senior retired civil servants, nevertheless, it does provide a measure of financial relief which is long overdue.

Mr. Speaker, some people feel that annuities should not be increased because many of the people now on annuity draw social-security benefits or are gainfully employed in full or part-time jobs. I have been sitting in the House Post Office Committee during the hearings on postal pay and I have heard how postal employees are also occupied in two or even three jobs. One of the reasons why I want so dearly to secure a pay adjustment for postal employees is that we could then end the moonlighting which is now going on.

It is completely improper to point to the outside income which annuitants may be receiving when their retirement is too low. It is wrong to have a means test to determine whether or not an increase in annuities is justified. An increase in retirement pay should reduce the number of people who are forced to supplement their incomes by working even though they are retired. The fact that these people are working should not be used as an excuse to withhold proper annuity adjustment.

Mr. Chairman, I am the sponsor of H. R. 754, which is identical to H. R. 607 as originally introduced. I am also the sponsor of H. R. 749, which would provide that the Civil Service Commission shall engage "a private, reputable, and recognized actuarial firm to make a full study of the retirement fund and to publish its findings annually." It is high time, Mr. Chairman, that we dispel all the controversy about whether or not the retirement fund is solvent.

The results of a study are being advanced here this afternoon to show that outside employment makes it unnecessary for annuitants to have their retirement incomes raised. The Civil Service Commission and other sources are also being cited as authorities for a highly insolvent retirement fund.

I believe that the increases in the annuities of those now retired properly should be financed from the General Treasury. At the same time I reject the arguments that the retirement fund is unsound. My rejection is based on the fact that no one seems really to know the state of the fund. Consequently, unless and until a reputable and recognized actuarial firm makes a full study and reports on that study, we should look at the claims of insolvency with careful scrutiny.

More appropriate, it seems to me, than the number of people who are engaged in outside employment even though retired is the amount of annuity being received by retired civil servants. There are 250,000 former Federal employees on the retirement rolls. We are told in the study of the Civil Service Commission that 23.8 percent of that number is gainfully employed. Fifty thousand of the 250,000 retired civil employees receive annuities of less than $50 a month. Another 50,000 receive between $50 and $100 a month. This is a total of 100,000 retired civil servants who receive $100 a month or less. That figure is over one-third of the total number of persons retired. Certainly it would seem to me that if anyone is going to survive on that amount of money he would have to have a job. So the surprising thing should be not that 24 percent are engaged in outside employment, but that the figure is not much higher.

Mr. Chairman, I ask the House to act favorably on H. R. 607 without amendments so as to make it less apt to be vetoed by the President.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of the pending legislation. I would like to commend the gentlewoman from Idaho [Mrs. PFOST] and the members of the subcommittee who worked so long and diligently on this legislation. I was one of those who had introduced individual bills upon this subject. The subcommittee was very kind to all of us and gave us an opportunity to be heard on this problem. Everyone in the House recognizes that the Federal civilian employees who are retired are now caught in a serious squeeze between the increased cost of living and the fact that their income from annuities remains the same. I think this legislation is a proper method to recognize that squeeze and to recognize the moral responsibility that we, in the Federal Government, have to continue to keep in mind those retired Government employees and the long and diligent and faithful service they rendered to the Government. I am particularly happy that this bill recognizes that widows of employees who retired prior to February 29, 1948, should be given recognition and that they are entitled to receive an annuity. Up to this time, such widows have not been receiving such annuities and many of them probably are in the most difficult financial situation of any single group towards which the Government has recognized its responsibility. They may not be numerous, but each individual widow deserves recognition, and I am glad that we are giving such recognition in this bill. I also feel that the many employees who have retired prior to October 1, 1956, realize that at the time we passed the bill applicable to employees who retired after October 1, 1956, we recognized the need to give more liberal annuities to retired civilian employees. I am glad that today we are going back and recognizing that there is a discrepancy with respect to those who retired earlier than that time, and that we are endeavoring to do something to correct that discrepancy by increasing their retirement annuities.

Mr. Chairman, I am very pleased that the bill is before us today, and I hope we enact it speedily so that the conference committee can proceed to iron out the differences between this bill and the measure passed by the other body, and so that we can get this bill to the President for his signature.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. DIXON. This bill does not increase the annuities at a greater rate than the cost of living has gone up; is that not a fact?

Mr. BALDWIN. Certainly from the time that many of these employees retired, the cost of living has gone up rapidly, and more rapidly than any annuity increase that they have received.

Mr. DIXON. And these fine people deserve this money in every way; do they not?

Mr. BALDWIN. I certainly share the gentleman's views on that.

Mr. DIXON. I congratulate the gentleman. I support this measure.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MURRAY. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I want to congratulate the subcommittee that brought this bill before the House, particularly its chairman, Mrs. PFOST, for the fine work they have done. It is a vexatious problem. There is no question but that there is a pressing need for this legislation. There is no question but that we have a moral responsibility toward the individual retirees now on the rolls.

I am not satisfied with the bill, but I am willing to accept it as a compromise, as the best thing that we can get, but I hope that some day we will be able to devise a realistic formula in dealing with retired people so that their retirement pay can be kept some place within true proportion to the cost of living. When many of these people were active in Government, the cost of the dollar was much higher than it is today. The salaries they received for the job they were doing were correspondingly lower, dollarwise. We denied them a certain portion of that salary, and put it into a retirement fund, but we based the retirement on the salary that they earned at the time of their retirement, which is today quite unrealistic. We did not do that with the armed services people until this year. We always based their

retirement on the basis of the current pay for the officer or enlisted man in the service, which is to my mind a better way of doing it. The man who had 6 percent of his salary at $2,000 a year taken out for retirement was denied the right to buy a certain number of loaves of bread. Today, with his retirement based on that $2,000, the money that was taken out will buy only half as many loaves of bread. The buying power of the dollar is down.

These people need this increase. Many of them are barely making ends meet, eking out an existence on their present retirement. I am somewhat familiar with the problem. In California it is quite acute, because we have over 10 percent of all the retired civil employees of the Federal Government living in California, when there is slightly over 8 percent in New York and 6½ percent in the District of Columbia.

Mr. REES of Kansas. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, there is little new that can be said about this legislation after it has been debated for an hour, more particularly so by a Member who is not a member of the Post Office Civil Service Committee. Notwithstanding that, I would like to make three brief points.

First, I had a similar bill introduced, H. R. 2388, which was identical with S. 72, that was passed by the other body. In its good judgment the House committee has decided to make some changes that must be, of course, acceptable to me. It seems to me we are not being realistic if in 1956 we said civil-service employees who were retiring from that date on were in need of a certain annuity to maintain a reasonable standard of living, and yet we completely ignored those who had retired previous to that time. It would be an illusion to take a position like that and feel that we had completed our responsibility to those persons who had dedicated their lives to long public service.

Another point I would like to mention is this:

This group for whom we are legislating today has a lesser opportunity to supplement income than any other group of retired Federal employees. They are the group of older retired employees and, therefore, find it more difficult to find supplementary employment with which to meet the increased cost of living.

Another point we must keep in mind certainly is the fact that if these retired employees, whose money was withheld, could have invested it at the time, and we must give them credit for being financially responsible people, invested it in anymost anything, no matter what it was except blue sky stock, there would have been a sizable increase in its value today. What we did, however, was to withhold and impound their dollars so they could not use them. What we are saying to them today is that they did not get the benefit of the increase in value of anything material, yet they must continue to survive on the same number of dollars regardless of what they will buy, that they anticipated under a substantially lower cost of living.

Mr. Chairman, certainly this is meritorous legislation and should be passed by the House.

Mr. MURRAY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Chairman, I shall not take the time of this Committee to discuss this bill. Just about every possible argument for the passage of this bill has already been advanced. To repeat those arguments would only consume time. I should simply like to say that this legislation is needed. I strongly support it and urge the House to enact it speedily.

Mr. REES of Kansas. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Chairman, over the past year, the cost of living has increased by another 3 percent. Despite the current economic recession, consumers' prices keep going up. The administration has conducted a valiant and effective battle against the pressures of inflation, but despite the administration's efforts prices are continuing to go up. In the last 5 years, prices have risen by 7 percent and during the past decade the total rise in Consumer Price Index has been almost 20 percent.

In this struggle against the ravages of inflation, the retired employee and his survivors who live on a pension have been the most tragic victims. The ever-increasing productivity of the free American enterprise system makes it possible for most groups in the population not only to receive increased income to compensate for the rise in cost of living, but also for the rise in productivity. Next to the million and a half classified and postal employees who have not received any increase during the past 3 years, the retired employees have been the most serious victims of inflation.

Particularly unfortunate is the position of the Federal employee who has retired prior to October 1956. Not only is he a victim of inflation, but it was not until that time that we enacted, under the leadership of this administration, a decent civil-service retirement system. The Federal employee who retired before last October 1956 is, therefore, a victim of a far from generous retirement system as well as from inflation.

Let me illustrate these statistics in terms of an individual. A GS-4 who retired 10 years ago with the highest pay of $2,770 a year after 30 years of service receives today less than $100 a month, but an employee doing similar work in the same grade retiring today under the new Federal retirement policies would receive almost double that amount.

About a third of the annuitants receive an income of less than $1,000 a year and the median annual rate of the annuity of Federal employees is close to $1,600 a year. This means that the living standard of half the retired Federal employees is equivalent to that received by a worker earning 75 cents an hour, or a third less than the Federal minimum wage. In addition, more than seven out of eight survivor annuitants receive less than $100 a month. What a reward to faithful Federal employees who have devoted a lifetime to public service.

Clearly an injustice is being committed against the retired Federal employees and their survivors.

The need for correcting this situation is apparent. I understand that almost 200 Members have introduced in this Congress bills which would improve the benefits of Federal employees who retired before October 1956. Early in the beginning of the 85th Congress, there was introduced H. R. 97. Briefly, this bill provides for increases ranging from 25 and 30 percent to all retired employees receiving less than $1,500 a year and an additional 10 percent on amounts which they receive in excess of $1,500. The maximum increases that any retired employee may receive under the provisions of my bill is $750 a year.

I believe that this bill is fair and provides only a modest increase to the retired Federal employees. But, unfortunately, no action was taken on the bill by the House last year despite the fact that the committee reported favorably on H. R. 607. Meanwhile, the other body has acted on legislation which I believe is less than fair. But the National Association of Retired Civil Employees, in desperation to get any improvements in the retirement benefits, has agreed to the legislation proposed by the other body.

Under the bill which passed the Senate, the annual increases to retired employees and their survivors would be limited to $600 a year and annual benefits below $1,500 would be raised by 20 percent, while benefits above $1,500 would be increased by only 10 percent.

As I said, this proposed increase is less than adequate. I commend the National Association of Retired Civil Employees for their spirit of compromise. We must no longer delay their just demands. Any postponement of action means additional deprivation and suffering to hundreds of thousands of senior citizens and their dependents. We must not allow faithful Federal employees who have spent their lives in the service of their country, to spend their declining years in deprivation or to depend upon charity.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I support this legislation and I am sure the House will pass it overwhelmingly.

This legislation is badly needed to take care of our senior citizens and annuitants under the Civil Service Retirement Act.

These people are among many others in this country who have been waging a losing fight against rising living costs and this bill will provide at least a measure of help.

Earlier this year I introduced legislation having the same purpose as H. R. 607 and I wish to commend the members of the subcommittee for their diligent work in bringing forth this measure as sponsored by the gentleman from Georgia [Mr. DAVIS].

Mr. Chairman, I reiterate my belief that this legislation will be passed overwhelmingly, and I yield back the balance of my time.

Mr. MURRAY. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, I had the pleasure of introducing legislation similar to the bill now before us. I realize the bill does not go as far as some of us would like; however I believe it is the best bill we can expect to become law. I have many retired people in my district badly in need of additonal funds to meet their every day needs. Therefore I hope we can get this long due legislation passed without further delay. I want to take this opportunity to commend the distinguished gentlewoman from Idaho [Mrs. PFOST] for her wonderful work as subcommittee chairman and also the other members of the Committee on Post Office and Civil Service for the time spent on this important legislation. I also appreciate the courteous treatment I received when I appeared before the committee in behalf of my bill.

Mr. REES of Kansas. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I support this legislation wholeheartedly. The worst thing about it is that we did not get it passed last year, but that now is neither here nor there.

I introduced a somewhat similar bill last year. While almost never does such a measure satisfy everybody in all its provisions, yet, taken over all, I think this bill is as good as we can get at this time. The main thing now is to get it passed, reach a compromise with the other body with, so far as possible, the best of both bills that will be signed by the President. The need to get it into law so that these faithful retired employees of our own Government will not be delayed any longer in getting what they so urgently need and deserve.

Mr. MURRAY. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. HEMPHILL].

Mr. HEMPHILL. Mr. Chairman, I rise in support of this legislation because it had long been my belief that one of the best signs of progress in this country, one of the finest evidences of the civilization we seek to attain, is the fact that the older people of our country and those who have served well in various capacities in Government are given the benefit of legislation such as that before us today. If anything need be said at this point on such legislation as the Civil Service Retirement Act, the Social Security Act, and other measures providing for the Government employees who have spent their lives in the service, it is that such legislation evidences a desire on the part of this great country to take care of its older people who have been loyal employees.

The legislation before us today is not extreme in any degree; it is practical; it is reasonable. It is not as much as some would like, but I think we can all say it is as much as the Nation can well afford at this time. This money will not only go into the hands of those who are the annuitants and retirees—those who have done well in their task, but it also bolsters the economy of this Nation. Once the money gets into the hands of these retirees, we find that the money travels from there to the grocer, to the butcher, to the newspapermen, to various people who are dependent upon customers, who are the other people, for the money to run their business.

I read last night that since 1949, not 1932, the cost-of-living index in this country has risen 129 percent. I do not have the evidence to support that statement but I am certain you and I know that the value of the dollar we have to spend has steadily decreased. If that be true, and it is true, how must these people feel, who have paid into this fund, depended upon the benefits which were promised to them to support them in their old age, when they find the dignity of their existence depleted because of the fact they are not able to eat or clothe themselves or live in the manner to which they were accustomed, for which they worked, and for which they paid this money into the fund. Not only is that true, but these people are American citizens, the dearest people on the face of the earth. When you think of the fact we have spent billions of dollars for other peoples in the world, is it amiss to take care of our own people who have served our Government in various capacities for many, many years, who have given their best? I submit most of them deserve this legislation at our hands.

Mr. Chairman, I support this legislation, intend to vote for it, and I hope it will pass unanimously.

Mr. REES of Kansas. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I join with the many Members of Congress who have spoken on behalf of this legislation which will at least give some encouragement to our elder citizens who are reaching the sunset of their lives. I think they will be inspired if they receive this increase in order to purchase goods and things that they sorely need and which have been previously denied them because of the inadequate funds they have had to spend.

Mr. Chairman, I intend to vote for this legislation and I hope it passes unanimously.

Mr. MURRAY. Mr. Chairman, I yield 1 minute to the gentleman from Arkansas [Mr. TRIMBLE].

Mr. TRIMBLE. Mr. Chairman, while this bill does not go as far as some of us wish I am happy to support it as a fine beginning in the proper recognition of our retirees and their widows. I wish to commend the gentlewoman from Idaho [Mrs. PFOST], her subcommittee, and the full committee for bringing this legislation to us for consideration. The sun will shine a little brighter tomorrow for many people who have given their lives in service to their country.

Mr. REES of Kansas. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM of Iowa. Mr. Chairman, I am very much in favor of this bill and have requested this time to thank the committee for the work it did in connection with one particular portion. Although I am in favor of the bill as reported, I do want to congratulate the committee for taking care of a group, mostly widows and the survivors of those widows and widowers in the United States, who were overlooked a number of years ago when another bill was passed. Apparently the members of the committee thought the date of February 29, 1948, was going back far enough to take care of all of them. There are a number of survivors of Federal employees who were in the service 10 years or more but died prior to that time and who are not entitled to any annuity nor are they getting any today.

This bill corrects that gap and gives these needy people what they should have had in the beginning. I understand the number is few, but in my State of Iowa there are some 40 or 50 today who are suffering and have been suffering all of these years. I thank the committee for taking care of them by this piece of legislation.

Mr. MURRAY. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Chairman, I rise in support of this bill. I feel it is meritorious and much needed legislation. It will not only do justice to many of our retired Federal employees, but it will also help the economy by putting purchasing power into the hands of those in greatest need. I want to commend the gentlewoman from Idaho [Mrs. PFOST] and her subcommittee for the serious study and consideration they have given to the many bills that were introduced and of the needs of retired Federal employees.

Mr. Chairman, this legislation will provide a long-overdue increase in the annuities of retired civil service employees.

The cost-of-living increase in the civil-service retirement annuities of annuitants and survivors who were on the annuity rolls before October 1, 1956, is a modest amount which is urgently needed by the 250,000 retired Federal employees and the 80,000 survivors who will be affected by this legislation.

These persons living on fixed incomes have been hardest hit by the recent increases in the cost of living. Civil service retirees have been penalized unfairly because they paid into the retirement fund dollars worth 100 cents in purchasing power and are now being paid in dollars worth only 49 cents. The great majority of the retirees find it extremely difficult to supplement their inadequate annuity income since their average age is over 67 years.

I am pleased that the committee included in the bill a section to provide annuities for unremarried widows and widowers of employees and annuitants who died before February 29, 1948. These persons are certainly entitled to survivor annuities which have been denied them in the past.

It is my feeling that Congress has a duty to provide these increases to keep faith with the retired employees of our

Government and their survivors. Their needs are pressing, their economic problems are real. Let us act now to carry out our responsibility to them.

Mr. MURRAY. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, the gentlelady from Idaho and this committee have certainly done a fine piece of work on this legislation. It is long overdue; and because of its tardiness, it is appreciated all the more.

I genuinely hope that, out of this debate, will emerge the best possible combination of the House bill and the bill adopted by the other body.

Let us approach this matter seeking nothing less than justice for some people who are in serious trouble: Our people over 65, who have been most severely victimized by a cold war inflation that they could not have foreseen and certainly did not cause.

Every day I receive letters from people in southwest Missouri who are struggling desperately to keep abreast of ever-rising cold war prices. All people over 65 who are no longer actively engaged in industry or government are in a trap, and our retired civil servants face a deplorable situation. Fifty thousand retired civil-service employees receive less than $50 per month retirement checks.

No one can even begin to exist on $50 in these times; and the 100,000 civil-service retirees who are trying to live on less than $100 a month are likewise faced with a hopeless situation, not of their own making.

These retirees performed a public service in their active lives and they were loyal. In the thirties when economic conditions demanded salary cuts, they took the cuts. During World War II, when some of the business community was profiting from wartime contracts and many individuals were attracted to more lucrative employment, these civil servants accepted wage freezes and stayed on the job.

Now they are in trouble. Let us act swiftly to give them some measure of simple justice. Let us pass this bill and take one step at least, toward relieving the heartbreaking burden now being borne by our retired civil servants.

Mr. REES of Kansas. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. NIMTZ].

Mr. NIMTZ. Mr. Chairman, I join my many colleagues on both sides of the aisle who have risen to speak in favor of this legislation. I, too, want to commend the subcommittee for their work upon this field of annuities under the Civil Service Retirement Act of May 29, 1930, and for reporting this measure to the floor for our consideration. It is my understanding that this measure will benefit 230,000 annuitants and 80,000 survivors of annuitants.

Mr. Chairman, these persons, whether they be annuitants or survivors, are in the twilight of life. We should act favorably on this measure to show to them that their government remembers them and holds in high regard their loyalty and years of faithful service in years gone by.

Mr. MURRAY. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Chairman, I should like to record at this time my fullest support of the bill H. R. 607, which upon enactment will provide for an increase of 10 percent in the retirement annuity benefits of civil service retirees who were on the annuity rolls on or before October 1, 1956.

This modest cost-of-living increase in the civil service retirement benefits of annuitants and survivors is urgently needed by some 250,000 retired Federal employees and 80,000 survivors who will be beneficially affected by this legislation.

These people are forced by circumstances to live on a rigid, fixed income. They, therefore, cannot adjust by any other means their economic status to meet the increases in our present-day cost of living.

It is with genuine pleasure, Mr. Chairman, that I lend my endorsement and support to this measure which seeks, as a matter of justice, to ease the financial burdens of retired senior civil service employees.

Mr. REES of Kansas. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, as one who introduced a bill to provide increase payments to annuitants who retired prior to 1956, I wish to commend the committee for bringing us a good bill. I intend to support it.

This is a sensible bill in that it will bring purchasing power of this group up to present-day requirements. The same principle, recognition of increased living costs, should apply to all Federal and postal employees whose present salaries fail to meet living cost requirements.

In increasing salaries on the basis of increased living costs we simply bring their purchasing power up to present levels. Assuming inflation is under control, this action would be logical and reasonable. We could then expect to hold the line for an indefinite period of time. When salaries in the higher-paid brackets are increased beyond that justified by costs of living, we set the stage for another round of inflation that will compel Congress to entertain an additional increase for the same group we legislate for today.

From the tone of the debate today on this bill it would seem that continued inflation is the generally accepted view of Members speaking for the bill.

If this be true, if the American people are going to experience one inflationary spiral after the other, witnessing their dollar value decline to the point of little value in terms of purchasing power, then thrift and incentive to provide for the rainy day will have gone out the window.

At least the passage of this bill will serve to relieve for the present the sad plight for our deserving retired public servants.

Mr. REES of Kansas. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I support this legislation. One of my reasons for doing so is because of inflationary conditions that have taken place in our country in the past several years. Many of those who will benefit from this legislation retired when salaries were less than one half of what the same positions pay today. Costs were lower than they are today.

I have always supported legislation to improve annuity benefits in the past. As I have suggested it is a matter of doing equity for many people who are dependent upon retirement pay for their livelihood. As first chairman of the first Post Office and Civil Service Committee in the 80th Congress I participated in the development and approval of the basic provisions still in the law to provide benefits for survivors of our retired employees. This was and is one of the greatest forward steps in the history of the Civil Service Retirement Act. As chairman or as ranking minority member of the committee I have worked and voted for every other subsequent improvement. In 1952 we granted annuity increases up to 25 percent, on a temporary basis. As chairman of our committee in the 83d Congress, I supported the bill that made this temporary increase permanent. I advocated and supported the 1955 annuity increase of 12 percent on the smaller annuities, with slightly smaller increases on the larger annuities. I voted for H. R. 607 as reported by our committee last August.

There is nothing complicated about this bill. The first section will grant a 10 percent increase in the annuities of each annuitant on the rolls before October 1, 1956—the effective date of the new Civil Service Retirement Act which liberalized benefits for employees retiring thereafter. The increase also will apply to survivor annuities in effect before October 1, 1956, up to $200 per annum. No annuity will be increased to more than $4,104—the same limitation approved by Congress when the 1955 increase was granted.

I should like to ask the Members to give special attention to section 2 of this legislation. This section will fill a gap in the survivor benefit provisions of our retirement system. It will grant survivor annuities to widows and widowers of former employees or annuitants who died before February 29, 1948, under certain conditions relating to service rendered by the decedent and the number of years married. The annuity will be one-half of the annuity earned by the former employee or annuitant.

This will place this group of survivors on substantially the same basis as the surviving widows of former employees and annuitants who died on or after February 29, 1948. That was the cutoff when survivorship provisions were written into the Retirement Act in 1948.

Permitting this discrimination against the survivors of individuals who died before February 29, 1948 has constitued one of the most serious inequities in our retirement system. In one case, for instance, a retired Federal employee died immediately before midnight on February 28, 1948. His widow has never received an annuity. Yet, had her husband died immediately after midnight she would have been receiving an annuity for all the years since—just like

widows of thousands of other annuitants and employees who died on or after February 29, 1948.

This provision also is self-executing in effect. All of the beneficiaries are widows or widowers of individuals who died 10 or more years ago and, therefore, are well along in years. Most of the group will pass from existence before many more years.

Section 2 of the bill will carry out the purpose of bills which I introduced in the 83d and 84th Congresses to provide survivor annuities for these widows and widowers.

Section 3 of the bill provides effective dates for the annuity increases provided by the first section and section 2 of the bill. A survivor must file application to obtain the benefits of section 2.

Section 4 carries out the recommendation of the Committee on Retirement Policy for Federal personnel (known as the Kaplan Committee) appointed pursuant to Public Law 555, 82d Congress. This will prevent a major increase in the Retirement Fund deficit as a result of enactment of this legislation.

Section 5 limits payment of the annuity increases under the bill to those annuitants who are in the greatest need. It provides, in effect, that the annuity increases will not be paid to any individual whose income from gainful employment during the preceding calendar year exceeded $1,200.

Section 6 removes an inequity in the cases of certain former employees who were deprived of the benefits of the Civil Service Retirement Act amendments of 1956. Those amendments were applicable to former employees who were separated on or after July 31, 1956. However, they did not apply to anyone who was separated prior to that date under the automatic separation provisions of the Retirement Act but who had sufficient annual leave to his credit to extend to or beyond July 31, 1956. In such a case, had the employee been permitted to serve out his annual leave he would have been eligible for the benefits of the new act by virtue of being in service on July 31, 1956. Section 6 of this legislation will give such a former employee the option of selecting benefits either under the 1956 act or under this legislation, whichever is to his advantage, upon application to the Civil Service Commission.

Section 7 of H. R. 607 makes the Retirement Fund available for expenses of the Civil Service Commission in administering the act, for a period of 6 months after enactment.

The reported bill also amends the title of the bill to conform to the changes made by the committee amendment.

In summary, I feel that this legislation should have prompt approval so that its benefits may be made available to our retired employees and their survivors who are in need of an increase in their incomes. The cost is not prohibitive, in comparison with some of the other legislation which we have considered in this body. It will go to many individuals who have no other source of help except this Congress. I hope that this legislation will be approved.

Mr. Chairman, I would like to take an extra moment to pay tribute to the chairman of our committee. Mr. MURRAY is one of the most sincere, conscientious and hardworking members of the House. Most of the time I am in accord with his views in respect to legislation that comes before our committee. I regret on this occasion I am not in position to vote with him on this measure.

Mr. MURRAY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to this bill. I filed a minority report on this bill which is set forth at pages 9 to 14 of the report on the bill. I was the only member of the committee to oppose this bill when it was considered by our committee.

Frankly and conscientiously, I just could not go along with this bill. I have been a friend of the retired employees ever since I have been a Member of Congress. I supported previous measures liberalizing the benefits for retirees. In the last 10 years there have been four bills passed liberalizing and increasing the annuities and benefits to our retired employees. The last liberalization bill for retirees was passed in 1955. I was the author of that bill in the House.

I have consistently supported legislation for the benefit of these retired employees. But when the last liberalization bill was sponsored by me I warned then that any further liberalization could cause serious danger to the financial integrity of this fund. I cannot in good conscience support this legislation because of the financial condition of the retirement fund today.

What are the facts? In 1953 there was a deficit of $9,900,000,000 in the retirement fund—in 1954 it had increased to $10.6 billion; in 1955 it had increased to $12 billion. In 1956 it had increased to $13.8 billion. In 1957 the deficit was $18 billion. Today it is $18.6 billion. And it is estimated by the Civil Service Commission and the Board of Actuaries that the deficit for 1959 will be over $19 billion.

The truth of the matter is that there is approximately $7.5 billion in this fund today, and the obligations are over $25 billion.

Mr. Chairman, this bill is opposed by both the Civil Service Commission and the Bureau of the Budget. I did not hear a single proponent of this legislation say in his remarks that this fund was anywhere near solvent. It cannot be contended by any Member of this House that this fund is in good actuarial condition. Members are bound to know that it is unsound, and if we do not stop liberalizing this fund we soon are going to face serious danger.

Let us see how much has been contributed by the retirees so far. This civil service retirement fund was inaugurated in 1920. At that time the employee paid 2½ percent of his salary into the fund. From August 1, 1920, when the fund was established, to June 30, 1926, the employee's contribution was 2½ percent of his salary. Then, from July 1, 1926, to June 30, 1942, the contribution was raised to 3½ percent. Then, from July 1, 1942, to June 30, 1948, the contribution was increased to 5 percent. Then, from July 1, 1948, to September 30, 1956, the amount was 6 percent. Then, from October 1, 1956, when we passed the last retirement bill, the contribution was raised to 6.5 percent. The present retired employees have contributed a total of $500 million and they have already received over $2 billion in annuities, and the amount required now to pay the future annuities of the present retired employees under existing legislation is $4,750,000,000, over eight times the amount that is on hand to meet that sum.

The average contribution by the individual retiree is $1,990. The average total annuity each individual retiree receives will amount to $25,400. The retired person will receive back in annuity over 12 times what he pays in as a contribution.

I say it is high time that we think about the soundness of this fund. We are going to face serious trouble. We are wrecking the financial integrity of this fund. That is why I am opposing it. Many of the retired employees today are receiving a greater annuity than they received in salary.

Recently the Civil Service Commission made a survey to ascertain what other income, if any, these annuitants had. The Civil Service Commission has filed a report showing this income received by the various annuitants. This is what the report shows, and this will be interesting to the Members. Some of you say, "Well, this is all the retired employee has to live on, his retirement annuity from the Federal Government." But this is what the report shows.

The Civil Service Commission took a poll of the annuitants and nearly 90 percent of those who were polled voluntarily replied to the request of the Civil Service Commission as to their other incomes.

Social security, 26 percent of the annuitants polled now receive social security with an annual average per recipient of $662.

Railroad retirement, 0.7 percent receive an average of $816.

Military retired pay, 1.7 percent of the annuitants receive an average of $1,978 per annuitant.

Veterans' pension or compensation, 18.3 percent of the annuitants are receiving veterans' compensation of some kind, with the annual average per recipient being $950.

Other monthly Federal benefits, 0.9 percent of the recipients received an average payment per recipient of $1,019.

Wages or self-employment, 23.8 percent of the annuitants said tney were self-employed and that their average income from self-employment was $1,907.

Other sources of income, 31.6 percent of the annuitants said they were receiving an average of $848.

So you can see that all these annuitants are not suffering financial hardships and disaster, as some Members would point out. I am in sympathy with any annuitant who is suffering hardship financially, but this Government has been more than fair, more than liberal to these annuitants. We will keep liberalizing this fund until it is totally

bankrupt, and it is high time, in my opinion, that Congress not liberalize this fund further until it gets on a safer, sounder financial basis.

Listen to this: Those with $1,500 annuity and no survivor benefits prior to 1938 now receive $2,028 plus a $600 annuity to the widow. Thirty-nine percent or about 97,000 annuitants now receive $160 per month.

The average total payment—I want to stress this again—that will be made to the annuitants will be $25,400 with a total contribution by the retired employee of $1,990.

Of course, I have been criticized by many of the annuitants because I stand opposed to this legislation. But, I cannot do violence to my conscience. I must do what I think is right even though I stand alone. I am only warning the Members that if we do not wake up, this civil-service retirement fund instead of being liberalized, as some Members put it, will really be bankrupt and Congress will be called upon to appropriate millions and millions of dollars to take care of it and our taxpayers must be called upon to pay same. Naturally, the annuitants want a larger income. I do not blame them for that. They would like to have their annuities increased. That is perfectly understandable. These annuitants with small annuities are employees who worked only a short time—maybe 5, or 10, or perhaps 15 years. The amount of the annuity is based upon the 5 years' highest salary multiplied by the number of years of service. Naturally, a person who worked 5 or 10 years for the Federal Government and then retires receives a small annuity. A real career employee who is now an annuitant is one who has worked at least 30 years for the Government and retires at the age of 60. Do you not realize that there are annuitants who only worked a short time for the Government and then went into private employment and who are now getting a much larger income from their private employment in addition to their benefits? The annuitants say, "Oh, you have $7½ billion in the fund and that is our money." Well, they have drawn out that money many times. They do not have one single, solitary cent in that fund. The $7½ billion in this fund today belongs to the present employees with the exception of about $500 million. We want to be sure that we preserve and protect this fund for those employees who will retire in the future. These annuitants are quite vocal in their demands. I do not blame them. They are getting to be a pretty good pressure group. They are pretty well organized and they have some fine leadership.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. VURSELL. About how many annuitants would this cover, in number, that is?

Mr. MURRAY. I do not have the figure before me. It would cover all those who retired prior to October 1956, when our last retirement act took effect. It would cover about 230,000 annuitants now and, as I recall, about 50,000 survivors.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. REES of Kansas. Mr. Chairman, according to the figures submitted to the committee, there are presently 385,000 annuitants and survivors, and this bill would cover 230,000 annuitants and 80,000 survivors.

Mr. VURSELL. That is 230,000 annuitants and 80,000 survivors. Is there any limit in this bill on how much one should earn before the Government comes to him to help him because he is in distress? Suppose a man has an income in addition to his annuity?

Mr. MURRAY. This bill provides a $1,200 income.

Mr. VURSELL. And with that provision in the bill, it will cost how much a year?

Mr. MURRAY. This bill will cost $160 million which would be charged to the reserve fund, which is already insolvent. It would cost that much for the next 3 years. Then it will cost $400 million after the 3 years expire and then it will be up to the Congress to provide the money for the increases as provided in this bill.

Mr. VURSELL. And the Congress will do that if they want some action. It will continue to run only for 3 years? Is there any intention of ever stopping it?

Mr. MURRAY. It only provides for the cost for the next 3 years up to July 1, 1961, will be paid out of the retirement fund and then the cost thereafter shall come out of the annual appropriations. As I said, it would cost $160 million out of the retirement fund for the next years and then after July 1, 1961, the Congress shall make annual appropriations which will total another $400 million as a result of the total cost of this legislation.

Mr. VURSELL. I thought it was automatically going to stop in 3 years.

Mr. MURRAY. Oh, no, no.

Mr. Chairman, this fund is in a deplorable shape. I feel sorry for any annuitant who is in distress, but I do not think it is fair and just to the American people and the taxpayers in general to pass this bill and further jeopardize the fund.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. AVERY. Whereas I am not in agreement with the gentleman from Tennessee on this particular piece of legislation, as one Member of the House I want the RECORD to show today I have a tremendous amount of respect for the gentleman from Tennessee and feel that he is serving the Congress of the United States well and, certainly, serving the entire United States. He has made a tremendous contribution through his diligence and hard work and the study he has made of all matters pertaining to the post office and civil service responsibilities.

Not only on the matter of annuities which we are considering today, but I have seen the gentleman in the well of this House when we were considering rate matters, when we were considering a great variety of matters that fell within his committee's responsibility. The gentleman has not always taken a position that was politically expedient. I admire him greatly for coming into the well of this House and standing for what he thinks is right. He is certainly one of the great Congressmen who serve in this body. I want the RECORD to show that we on this side respect and salute the gentleman.

Mr. MURRAY. I thank the gentleman.

Mrs. PFOST. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mrs. PFOST. I would like to associate myself with the gentleman from Kansas [Mr. AVERY] in his remarks about our very able chairman of the Committee on Post Office and Civil Service. It has been my pleasure to serve for more than 3 years on that committee. Never have I felt that the chairman has been anything but fair. When I have asked for special consideration, because I serve on another committee and need time to go to that committee, the chairman has always been very generous and said that he would recognize any reasonable request. I, too, feel that the chairman has shown great courage in coming down into the well of the House and standing up for the things he believes in. No one can question his sincerity or his integrity. Certainly I want the RECORD to show at this time that I, too, greatly admire the gentleman, not only personally but as chairman of the committee, because of his fairness, his consideration, and high principles.

Mr. MURRAY. I thank the gentlewoman from Idaho.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. DAVIS of Georgia. I want to say that I concur wholeheartedly in the remarks which have just been made by the gentleman from Kansas [Mr. AVERY] and by the gentlewoman from Idaho [Mrs. PFOST]. I have served on the Post Office and Civil Service Committee for 12 years under the chairmanship of the gentleman from Tennessee [Mr. MURRAY]. I admire many things about him. He has many qualities which I admire, but one of those qualities which I admire most is the courage of his convictions which he always manifests. It has been a pleasure to serve with him. It is always very disagreeable for me to differ from his stand on any legislative matter. Regardless of the differences, I have a very genuine admiration and affection for the gentleman from Tennessee.

Mr. MURRAY. I thank the gentleman from Georgia.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. CEDERBERG. I suppose I have followed my chairman down the line as much as any other member. I think the time has come to prove that the chairman of the Committee on Post Office and Civil Service has been a true friend, over the long pull, of both the workers

of this country as well as the annuitants. I regret this is one time I am going to leave my chairman, because I think there are safeguards in this particular bill which will be a real safeguard to the solvency of the fund.

I just want to say again that certainly the Post Office and Civil Service Committee is under a very able chairman.

Mr. MURRAY. I thank the gentleman from Michigan.

Mr. REES of Kansas. Mr. Chairman, I have no further requests.

Mr. MURRAY. I have no further requests, Mr. Chairman.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the substitute committee amendment printed in the reported bill as an original bill, for the purpose of amendment.

The Clerk read as follows:

Be it enacted, etc., That (a) the annuity of each retired employee or Member of Congress who, on October 1, 1956, was receiving or entitled to receive an annuity from the civil service retirement and disability fund shall be increased by 10 percent.

(b) The annuity otherwise payable from the civil service retirement and disability fund to—

(1) each survivor whose annuity commenced on or prior to October 1, 1956, and

(2) each survivor of a retired employee or Member of Congress described in subsection (a) of this section, shall be increased by 10 percent. No increase provided by this subsection shall exceed $200 per annum.

(c) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(d) No increase in annuity under this section shall exceed the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions, to $4,104.

Mr. BROYHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL: On page 3, strike out line 12 and all that follows down through line 2 on page 9, and insert the following: "That (a) (1) the annuity of each individual who, on or prior to October 1, 1956, was receiving or entitled to receive an annuity from the civil service retirement and disability fund shall, in addition to any increase in such annuity heretofore provided by law, be further increased, effective on the effective date of this act, or on the commencing date of the annuity, whichever is later, by an amount equal to 20 percent of the portion thereof which does not exceed $1,500 and 10 percent of the portion thereof which exceeds $1,500.

"(2) No increase provided by paragraph (1) of this subsection shall exceed $600 per annum for any individual or be computed on any part of the annuity purchased by voluntary contributions. The monthly installment of each annuity so increased shall be fixed at the nearest dollar.

"(3) The increase in annuity provided by paragraph (1) of this subsection, when added to the annuity to which such individual is otherwise entitled under the civil service retirement laws, shall operate to increase the annuity to which each survivor of such annuitant is otherwise entitled under such laws as such survivor and shall be added to such survivor annuity, except that the annuity of each surviving child shall not exceed at any one time a sum equal to the quotient obtained by dividing $1,200 by a number equal to the number of children then currently receiving annuities.

"SEC. 2. (a) The limitation contained in the next to the last sentence of section 8 (d) (1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the act of August 11, 1955 (69 Stat. 692; Public Law 369, 84th Cong.), shall not be effective on and after the effective date of this act.

"(b) On and after the effective date of this act—

"(1) each increase in annuity provided by subsection (d) (1) of section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the act of August 11, 1955, when added, prior to the application of the increase provided by the first section of this act, to the annuity to which a retired employee is otherwise entitled, shall operate to increase the annuity to which each survivor of such annuitant is otherwise entitled as such survivor and shall be added to such survivor annuity, except that the annuity of each surviving child shall not exceed at any one time a sum equal to the quotient obtained by dividing $1,200 by a number equal to the number of children then currently receiving annuities; and

"(2) section 8 (d) (2) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the act of August 11, 1955, shall not be effective except that the foregoing provision of this subparagraph (2) shall not deprive any survivor who becomes entitled to annuity of any increase for which such survivor is eligible in accordance with such section 8 (d) (2) as enacted by the act of August 11, 1955.

"SEC. 3. The widow of an employee where such employee had completed 10 or more years of Federal service and was subject to the provisions of the Civil Service Retirement Act of May 29, 1930, as amended, at the time of his death, on or before April 1, 1948, while in the service of the United States or retired from such service, on or before such date, if such widow had been legally married to such employee or retiree for a period of at least 5 years prior to his death and was not entitled to any annuity based upon the service of such employee or retiree under any other provisions of such act and has not remarried, shall be entitled to receive an annuity equal to one-half of the annuity to which such employee or retiree would have been entitled to receive or received, but not to exceed $600 per annum. Any annuity granted to a survivor under this section shall commence on the first day and month following the month application therefor has been duly filed with the Civil Service Commission, and shall cease upon the death, or remarriage, of the annuitant.

"SEC. 4. The annuities and increases in annuities provided by this act shall be paid from the civil-service retirement and disability fund; but such annuities and increases in annuities shall terminate for each fiscal year beginning on or after July 1, 1960, for which an appropriation shall not have been made by the Congress to compensate such fund for the cost, as determined by the United States Civil Service Commission, of such annuities and increases in annuities for such fiscal year. For any fiscal year for which such appropriation shall not have been made, the preceding sections of this act shall not be in effect, and annuities and increases in annuities within the purview of this act shall be determined and paid in the same manner as immediately prior to the effective date of this act and as though this act had not been enacted.

"SEC. 5. This act shall take effect on the first day of the second calendar month following the date of enactment of this act."

Mr. BROYHILL (interrupting the reading). Mr. Chairman, inasmuch as this amendment contains identically the same language as contained in the bill S. 72 which has been passed by the other body and appears in full in the RECORD, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BROYHILL. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BROYHILL. Mr. Chairman, as I have stated before, this amendment contains identically the same language which appears in S. 72, which has already passed the other body. It is in effect a compromise, a reasonable compromise between the 150 or 160 bills that have been introduced by Members of this House to increase the annuities of retired civil service employees.

The principal difference between the bill S. 72 and the House bill H. R. 607 is that S. 72 provides an increase of 20 percent on the first $1,500 of the annuity and 10 percent on the portion over $1,500; with a ceiling of $600; whereas H. R. 607 provides a straight 10 percent increase. But H. R. 607 has a ceiling under which no annuity can be increased which would cause the annuity to exceed $4,104.

I feel, Mr. Chairman, that that is possibly the most discriminatory portion of H. R. 607, because the annuitants who receive an annuity in excess of $4,104, while it is granted they are not suffering the same hardship by any means as the low-income annuitants, yet many of those are people who have worked their entire lifetime for the Federal Government, have not received any increases in the last three pieces of legislation we passed in this body affecting retirements.

The retirement increase bill which passed in 1955 carried a ceiling of $4,104.

The bill passed in 1954 which made permanent the 1952 law carried a ceiling of $2,160.

In other words, no annuitant who receives an annuity in excess of $4,104 has received any increase since 1950. Actually, since 1946 the total increase annuitants receiving over $4,104 have received is a total of $600. I think you will agree, Mr. Chairman, that the increase has not kept pace with inflation.

Another provision of the House bill which I think is unduly restrictive is that it sets a maximum of $1,200 which an annuitant can earn to supplement his annuity. Those who find themselves in the low annuity brackets find it absolutely necessary to supplement their income from other employment. H. R. 607 prohibits an annuitant from earning over $1,200 per year. S. 72 does not carry that provision.

Then we come to the matter of survivors of annuitants. S. 72 maintains the $600 ceiling which is contained in the bill for living annuitants, whereas H. R. 607 has a ceiling of $200.

The only other difference is for widows of employees who died prior to 1948. H. R. 607 requires that the widow be married to that employee for 10 years

prior to his death, whereas in S. 72 the requirement is only 5 years.

Mr. Chairman, there has been a lot of talk here about the possibility of a veto in the event the bill S. 72 is substituted for this bill. I have no way of knowing whether S. 72 will be vetoed or whether H. R. 607 will be vetoed. I understand that the administration is opposed to any increase for annuitants, but since we are sending a bill down there providing for an increase, and we recognize an increase is necessary, why do we not send a bill down there that is more nearly in conformity with the 160 bills that have been introduced? I cannot understand how any Member who has introduced a bill providing for a 25 percent increase on the first $1,500 and 10 percent on any amount in excess of that can do anything else but support my amendment which is a compromise providing even less than was provided in those bills.

I have here a telegram from Frank J. Wilson who represents the retired civil service employees stating that H. R. 607 is too drastic a compromise and urges us to support an amendment to substitute the language of S. 72, which is, of course, a much more acceptable compromise. The retired employees are willing to take a chance on a veto of that bill.

I urge all of my colleagues, particularly those who have recognized the need of the problem of these retired employees to the extent of introducing these various pieces of legislation, to support the substitute which does provide a little better compromise for these very deserving former employees of the Federal Government.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Does the gentleman realize if his amendment prevailed, and if we take, for instance, a postal clerk or carrier with 30 years of service who retired in March of 1955—and I cannot give you the exact amount he would receive under the gentleman's provision—if the provisions of the gentleman's substitute were put into effect the man who retired at a high 5 years' average in March 1955 would receive more money than the man who retired after October 1, 1956?

Mr. BROYHILL. There is a possibility that some of the employees would receive more. But I want to point out and emphasize that in previous legislation providing for increases for retired employees, we have always concentrated—and I have no quarrel with that—on the lower income annuitants. I recognize that they have a more difficult time getting along, but they make up the group that rendered fewer years of service to the Federal Government than have the annuitants in the higher brackets. We have always discriminated against those who have put in the largest number of years with the Federal Government.

Mr. CEDERBERG. We have here 2 people who worked the same number of years, 30 years; 1 retires in 1955, 1 retires after October 1, 1956. Under the provisions of the gentleman's amendment, the man who retired in October 1955, or even in October 1954, would receive more money than the man who retired in 1956.

Mr. BROYHILL. That is a possibility in some cases. But you can find and use statistics to your advantage either way.

Mr. CEDERBERG. I think everyone agrees that is true.

Mr. DAVIS of Georgia. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, there is, of course, a practical side to any piece of legislation and to the consideration of any legislation. I am somewhat surprised that the gentleman from Virginia has offered this amendment to substitute S. 72 for H. R. 607.

May I say to the committee that the subcommittee under the able chairmanship of the gentlewoman from Idaho [Mrs. PFOST] very carefully went into all of the provisions of H. R. 607 and went into every phase of legislation designed to benefit those who are the beneficiaries of the bill now under consideration.

I would like to say also that the original bill, this very bill which we are considering now, H. R. 607, carried an increase of approximately 24 percent. There were many other bills which carried increases larger than 10 percent. There were some which carried smaller increases, but this subcommittee and then the full committee considered all of these things very carefully.

Now, neither the subcommittee nor the full committee considered S. 72. We are not prepared today to analyze S. 72 and say whether it is a better bill or a worse bill than H. R. 607. We do know this, that H. R. 607, after having received careful consideration and study, was voted out by the full committee with only one dissenting vote, and the gentleman from Virginia, who now offers this amendment as a substitute, was one of those who voted to report H. R. 607 out favorably. Why he is coming in now and wanting to substitute S. 72 I am not informed. But, I want to point this out to those members of the committee here now who are wanting to do something for these retirees. I have had a little time to study S. 72 since the amendment was offered, and I find at least two beneficial provisions in H. R. 607 which would be destroyed if this substitute is adopted. I call attention to the provision in section 6 (a) of House bill 607 which gives to the retirees the option to recompute their annuity under the new law, if retired for age before July 31, 1956, but with annual leave, which could have carried the employee to that date, the employee may elect to recompute in lieu of any other increase in H. R. 607. The Senate bill carries no provision whatsoever to grant that benefit to the retired employee.

I notice also section 7 in H. R. 607 provides for administrative expenses and makes the retirement fund available for the administrative expenses of putting this bill into effect and that S. 72 carries no such provision. There may be other provisions which would be stricken from the House bill if this amendment and substitute is adopted. I think it is a most dangerous thing to undertake to supplement legislation which has had adequate, full, thorough, and complete consideration on the floor of the House with legislation which has not had committee consideration.

Mr. LESINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I stated before in the well of the House, I am opposed to the substitution of the language in S. 72 for H. R. 607. If H. R. 607 had been passed last year, it would have been vetoed. As one of the members of the committee that has sponsored much of the basic legislation for retirement, I must state honestly and conclusively that my bills provided for more than H. R. 607 does. Nevertheless, in all fairness to everyone concerned, S. 72 stands no chance of becoming law. Furthermore, if we pass S. 72, there will be no conference and there will be no way on earth to correct the inequities in either one of the bills. The language in S. 72 is very unclear, it is very ambiguous, and, in many instances, the intentions of the bill are not clear to anyone. Therefore, I heartily recommend to the Members of the House that we reject the amendment of my colleague from Virginia [Mr. BROYHILL] and accept H. R. 607 as it is.

Mr. CEDERBERG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Virginia [Mr. BROYHILL], but I want to point out a few things that could happen under this bill if it were adopted. For instance, if you had a fourth-class postmaster who had served 30 years and retired in 1952, under the amendment of the gentleman from Virginia he would receive more in annuity than a fourth-class postmaster who retired after October 1, 1956.

The same is true of a GS-2 after 30 years of service who retired in March 1952. If the gentleman's amendment were adopted he would receive more money than a GS-2 who had worked 30 years and retired after October 1, 1956.

The same situation is true of a GS-4 who after 30 years of service had retired. He would receive more if he retired 3 or 4 years ago than he would receive if he retired now. The same with postal clerks and carriers after 30 years of service. One who retired 4 or 5 years ago, although he has been on the retirement rolls and has not been contributing to the retirement fund at all, would receive more money than another who retired today.

I think that ought to be a sufficient number of examples to see that we ought to reject this amendment.

Mr. MORRISON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I introduced a bill similar to the one that the House is considering today. I was acting chairman of the committee and appointed a subcommittee to consider the bill. The subcommittee worked hard and long and then we took a great deal of time in the full committee. The House on its final decision did not provide as much as the gentleman from Georgia [Mr. DAVIS] provided for in his bill, or was

provided for in my bill. But after all the hearings were had and the witnesses were heard, the committee reported a bill which they thought would pass the House and the Senate and be signed by the President.

Mr. Chairman, we are all realists and we might as well be practical about this. What we should do is to pass the House bill as brought to us by the committee, and then if there are any differences we can iron out those differences in conference. As the distinguished gentleman from Georgia [Mr. DAVIS] brought out, the Senate bill actually takes out two beneficial provisions from the House bill, and if this amendment were approved it would not give the desired help to the retired workers.

Mr. Chairman, I think the Members certainly can trust the conferees of the House and the Senate when the bill goes to conference. I will be one of the conferees. There will be those on the House side and on the Senate side who I think will be able to iron out the differences and come up with a bill that will be approved by the Congress and signed by the President.

I urge that the amendment be voted down.

Mr. LANKFORD. Mr. Chairman, I move to strike out the last word.

In the face of adversity I rise to support the amendment offered by the gentleman from Virginia.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was rejected.

Mr. BROYHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROYHILL: On page 4, strike out lines 4 through 6.

Mr. BROYHILL. Mr. Chairman, as pointed out before, I feel that as long as this restriction of $4,104 remains in the bill we are discriminating against those former employees who spent the greatest portion of their time in the service of the Federal Government. There are only approximately 2,300 involved that receive annuities in excess of $4,104.

In all of the other increases we have granted to the former Federal employees in the last 12 to 15 years there have been only two increases, only two, one in 1948 and one in 1950, in which we permitted those employees earning over $4,104 to receive on each occasion a $300 increase. In other words, during the last 10 years we have granted a total of $600 for those employees. In the last two bills in granting increases to retirees we have had a restriction of $4,104. I think it is only fair that we give all former employees the same treatment. I urge this committee to adopt this amendment, which will eliminate this discriminatory restriction against 2,300 of our former employees.

Mr. CEDERBERG. Mr. Chairman, this is a matter that was also discussed by the members of the subcommittee and discussed by the full committee. I think, if I recall correctly, and I ask the members of the committee to correct me if I am not correct, there was not a dissenting vote regarding the limitation of $4,104.

Mr. BROYHILL. If the gentleman will yield, I do not know whether we should reveal confidential information as to what happened in executive session, but there was one dissenting vote, at least one.

Mr. CEDERBERG. All right, but it came out with near unanimity regarding the $4,104 provision. The only reason we put that in there is that we have been holding hearings on annuity legislation in order to take care of any annuitant who has been a faithful Government servant over the years and is in need of this increase in annuity.

I say to you that you cannot justify increasing the annuity of someone who receives over $300, almost $350 a month, as an annuitant. He is not in need. Therefore I do not believe we should jeopardize the soundness of this fund any further by taking care of people who are not entitled to it.

Mrs. PFOST. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentlewoman from Idaho.

Mrs. PFOST. If the gentleman from Michigan will remember, various figures were discussed in the full committee. We discussed $4,800 as a ceiling and $4,500, and finally $4,104 was the only figure we could agree on unanimously.

Mr. CEDERBERG. That is correct. I just hope we will never break the precedent which has been established year in and year out when we have been dealing with these annuity increases and take the position that we are going to give an increase regardless of whether or not it is needed. I say to you, if you are receiving $4,104 of earned annuity you do not need any more, and should not be jeopardizing the actuarial soundness of that fund beyond that. I do not think the taxpayers of the United States should have to subsidize you in retirement if you are getting that kind of retirement.

Mr. HYDE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this amendment. I think there is a great deal fundamentally wrong with the argument which is made by my good friend, the gentleman from Michigan. These are annuity pensions. They are not welfare funds. They are annuity pensions and every employee pays the same amount proportionately into the fund or, as I understand the figure, 6½ percent of the employee's salary. But, by saying that when you come along with an increase, you are only going to increase those up to a certain amount, you are putting this annuity pension in the same class as a welfare fund, which it is not. It is an annuity pension. The amount of pension they get basically is based on the amount of salary they earned. It is like any other pension fund that exists in private industry or elsewhere. A man can possibly, depending on his length of service, earn as high as 75 percent of his salary if he has served the requisite number of years. So when you are giving an increase in the pension, if you are still treating it as an annuity pension and not as a welfare fund, which it is not, then the same increase should apply to all persons getting the pension and not just to those in a certain class.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield.

Mr. CEDERBERG. There are some annuitants throughout the Nation who have served a short time and who have retired. We have recognized over the years in the Federal Government those who have served faithfully over the years and who have been caught in the increase in the cost of living to the point where it has affected their ability to live reasonably well. We recognize that. Call it welfare, if you want to, or call it whatever you may; but I say to you when the average citizen or the average employee of the Federal Government who is retired pays $1,900 into the fund and receives, or will receive, according to the life expectancy tables $25,540 out of that fund, then I say to you we had better be careful about the future soundness of that fund.

Mr. HYDE. Let me say I have heard the gentleman's argument along these lines before. It is an argument, and his argument has some persuasiveness to it, but it still does not alter the fundamental character of this program which is an annuity pension program. There is a distinction, I will grant you, which the gentleman has mentioned between this annuity pension program and some annuity pensions in private industry and elsewhere. But, it still does not alter the fact that increases should be given fairly. They pay the same amount into the fund and they should all get the same amount proportionately when they retire.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield further?

Mr. HYDE. I am glad to yield to the gentleman.

Mr. CEDERBERG. We have many examples where they have not paid the same amount into the fund, and they receive more. But, will the gentleman just answer this question? On what basis does the gentleman feel that you can increase the retirees' amount over the $4,104? On what basis would you do that? He is already receiving more than he paid in.

Mr. HYDE. So is the little man.

Mr. CEDERBERG. Is it need?

Mr. HYDE. All persons who receive these pensions will eventually receive more than they paid in if they live long enough. There is no difference in this respect between the small pension and the larger ones.

Mr. CEDERBERG. There is no objection there. The only principle in difference between the gentleman and me is that here we have a question of whether or not we are going to take care of annuitants who are in reasonable need. I say that the one getting over $4,104 is not in need.

Mr. HYDE. I think it also should take care of those who have been a long number of years in the service as well as those who have just been in the service for a short time.

Mr. VURSELL. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, my understanding was and has been throughout the years that this is a retirement fund very largely based on the amount of money that the retiree has paid into the fund with the Government paying an equal part. It would seem to me that the Congress is going a long way toward putting it on the basis of a welfare fund. We heard a great deal of talk the other day about protecting this insolvent fund in another debate on the independent offices bill. If you want to protect the retirement fund, you have got to protect it on the floor of the House, instead of continuously raiding this fund and depleting it, and making the obligation greater and greater on the Federal Government.

As a member of the Committee on Appropriations, I realize that this retirement part that the Government puts in is considerable. I would say it is around $600 million a year. That is a lot of money to appropriate each year. There is not any question about the fund being sound as long as the Federal Government is sound, because the full faith and credit of the Federal Government is pledged; whether there is sufficient money in the retirement fund at any time, the money will be appropriated out of the Treasury to see that all annuitants are paid.

Now if you want to protect the retirement fund, then you have got to look a little further and protect the financial solvency of this Government. In my judgment, if we do not protect the solvency of this Government, the Congress will be responsible for abdicating its duty and the downfall of this Government eventually will come by the liberality of the Members of Congress who continue to vote billions and billions and billions of dollars recklessly, as has been done for too many years on this floor and in the other body. If you want to protect the employees who are paying into this fund 6½ percent of their salaries, to tide them over in later years, you must begin right here in the Congress. You have this bill now in the House as it came from the committee, where it may be tolerable. The President may sign it unless you increase the cost. I do not know what will be done when the other body and the House go into conference, but I think the gentleman from Michigan [Mr. CEDERBERG] said something that was important, that if you want any increase for the civil-service retired employees it is well to at least hold this bill down to what it is in the House bill, as it comes from the committee and as it is before us, and not continue to increase it on the floor of the House.

Now there has been a great deal said about people who have given their life service to the Federal Government. I do not know many people who have been very dissatisfied with working for the Government. I find that when a civil-service examination is called for a rural mail carrier, or any other type of Government employment, there is a great scramble and there is great competition. They want those jobs. Why should they not want them? They have a life tenancy under good behavior and proper efficiency, and they have had a Government, up to the present time at least, that is there promptly with paycheck and never fails. So I do not think we need to get too sympathetic about the person who has given, as some of you have said, years of his life to the Federal Government. In nearly every instance they are proud to work for the Federal Government and have rendered capable and faithful service. While he has been doing a good job the Government is putting into the fund the same amount as the employee. We are putting $600 million a year into the fund now and many other benefits are enjoyed by the Federal Government employees.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BROYHILL].

The amendment was rejected.

The Clerk read as follows:

SEC. 2. The unremarried widow or widower of an employee—

(1) who had completed at least 10 years of service creditable for civil service retirement purposes,

(2) who died before February 29, 1948, and

(3) who was at the time of his death (A) subject to an act under which annuities granted before February 29, 1948, were or are now payable from the civil service retirement and disability fund or (B) retired under such an act,

shall be entitled to receive annuity. In order to qualify for such annuity, the widow or widower shall have been married to the employee for at least 10 years immediately prior to his death and must be not entitled to any other annuity from the civil service retirement and disability fund based on the service of such employee. Such annuity shall be equal to one-half of the annuity which the employee was receiving on the date of his death if retired, or would have been receiving if he had been retired for disability on the date of his death, but shall not exceed $750 per annum and shall not be increased by the provisions of this or any other prior law. Any annuity granted under this section shall cease upon the death or remarriage of the widow or widower.

SEC. 3. (a) An increase in annuity provided by subsection (a), or clause (1) of subsection (b), of the first section of this act shall take effect on the first day of the second month following the date of enactment of this act. An increase in annuity provided by clause (2) of such subsection (b) shall take effect on the first day of the second month following such date of enactment, or on the commencing date of the survivor annuity, whichever occurs later.

(b) An annuity provided by section 2 of this act shall commence on the first day of the second month following the date of enactment of this act, or on the first day of the month in which application for such annuity is received in the Civil Service Commission, whichever occurs later.

(c) The monthly installment of each annuity increased or provided by this act shall be fixed at the nearest dollar.

SEC. 4. The annuities and increases in annuities provided by the preceding sections of this act shall be paid from the civil service retirement and disability fund. Such annuities and increases in annuities shall terminate for each fiscal year beginning on or after July 1, 1960, for which an appropriation shall not have been made by the Congress to compensate such fund for the cost, as determined by the Civil Service Commission, of such annuities and increases in annuities for such fiscal year. For any fiscal year for which such appropriation shall not have been made, the preceding sections of this act shall not be in effect and annuities and increases in annuities shall be determined and paid as though such sections had not been enacted. Nothing contained in this section shall be held or considered to prevent the payment of annuities and increases in annuities provided by the preceding sections of this act for any fiscal year for which the Congress shall have made such appropriation.

Mr. REES of Kansas (interrupting the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, subject to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

(The balance of the bill reads as follows:)

SEC. 5. Each increase in annuity provided by subsection (a) of the first section of this act shall be payable under the following conditions:

(1) Such increase shall not be payable, for any month which begins during the period commencing with the date of enactment of this act and ending with the close of the calendar year in which this act is enacted, to any individual whose income from gainful employment (including salary, wages, and income from self-employment), during the 12-month period immediately preceding the last day of the month in which this act is enacted, shall have exceeded $1,200;

(2) Such increase shall not be payable after April 30 of any year following the year in which this act is enacted to any individual whose income from gainful employment, during the preceding calendar year, shall have exceeded $1,200;

(3) Such increase shall not be payable to any individual until the first day of the month following the month in which such individual shall have reported, in such form as the Civil Service Commission shall prescribe, that his income from gainful employment in the 12-month period referred to in paragraph (1) of this section or the calendar year referred to in paragraph (2) of this section, as the case may be, did not exceed $1,200; and

(4) Each such increase payable after receipt by the Civil Service Commission of such report shall terminate on April 30 of any subsequent year unless before such date a new report that such income from gainful employment did not exceed $1,200 in the preceding calendar year shall have been received by the Civil Service Commission.

Payment of any increase terminated due to failure to submit the required report shall be resumed effective the first day of the first month after such report is received by the Civil Service Commission, but any such payment so resumed shall not be made for any month elapsing after such termination and before such resumption. Each department and agency of the Government of the United States and of the municipal government of the District of Columbia shall furnish, upon request of the Civil Service Commission, such information as the Commission may deem necessary to verify the accuracy of any such report.

SEC. 6. (a) The amendments made by section 401 of the Civil Service Retirement Act Amendments of 1956 (70 Stat. 743–760; 5 U. S. C. 2251–2267) may apply at the option of any employee who, prior to July 31, 1956, was separated from the service under the automatic separation provisions of the Civil Service Retirement Act but whose separation would not have taken effect until after July 30, 1956, if he had been permitted to remain in the service until the expiration of any accumulated or current accrued annual leave to his credit at the time of his

separation from the service. Such option shall be exercised by a writing received in the Civil Service Commission before January 1, 1958.

(b) No increase in annuity provided by this act or any prior provision of law shall apply in the case of any retired employee who exercises the option permitted by subsection (a) of this section.

SEC. 7. The civil service retirement and disability fund is hereby made available for payment of any expenses incurred by the Civil Service Commission in the administration of this act during the period beginning with the date of enactment of this act and ending with the last day of the sixth month which begins after the date on which the first payment of any benefit provided by this act (except sec. 6) is made.

Mr. MURRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY: Page 8, line 16, strike out "January 1, 1958" and insert in lieu thereof "January 1, 1959."

Mr. MURRAY. Mr. Chairman, this amendment, which is technical only, relates to the exercise of the option of an individual to receive the benefits provided by section 6 (a) of the bill. This amendment will permit the exercise of such option at any time prior to January 1, 1959, instead of the date provided in the bill, January 1, 1958, which date is now a past date.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Kansas.

Mr. REES of Kansas. It is a technical amendment?

Mr. MURRAY. Yes.

The amendment was agreed to.

Mr. HYDE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HYDE: Page 6, strike out line 13 and all that follows down through line 4 on page 8.

Page 8, line 5, strike out "SEC. 6" and insert "SEC. 5."

On page 8, line 21, strike out "SEC. 7" and insert "SEC. 6."

On page 9, line 2, Strike out "SEC. 6" and insert "SEC. 5."

Mr. HYDE. Mr. Chairman, this amendment would simply eliminate from the bill the provision against annuitants earning more than $1,200 a year.

If the previous amendment which we debated was to correct a discrimination against those in the upper brackets, this one is to correct a discrimination against those in the lower brackets.

Let us assume the case of a retiree who receives a pension of less than $1,000; under this provision he is not going to be permitted to earn more than $1,200 a year. It is similar to a provision in the Social Security Act which, in my opinion, has much to be said against it.

I do not believe we should place any barrier to anybody who has earned a pension going out and earning whatever he can to supplement his income. Certainly, if we believe in the free-enterprise system, the man who has earned his pension after 30 or 40 years, should be able to supplement his pension by doing other work to maintain the standard of living he wants to maintain. We should not discriminate against our older people and those whose earned pensions are so small that it is necessary for them to earn additional money to maintain their ordinary standard of living.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Virginia.

Mr. BROYHILL. I would like to commend the gentleman on offering his amendment. I shall support it. The gentlemen is correct in saying that the language is discriminatory, having the opposite effect we are trying to achieve.

May I ask the gentleman now if that is not true, especially in the case of those who most need an increase in pension.

Mr. HYDE. That is right, according to my understanding.

Mr. BROYHILL. This provision in the bill would tend to penalize the man who needs an increase in his income in retirement.

Mr. HYDE. That is correct. The fellow who receives $800 or $1,000 as an annuity finds it necessary to get some other income from the outside. The language in the bill would penalize him for being industrious and trying to improve his standard of living by earning outside income. I think it has a devastating effect upon the morale of our retired Federal employees.

Mr. HYDE. I thank the gentleman.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Let us understand it. This bill does not prevent him from going out and earning anything he wants. He can earn all of the money he wants to and still get his pension. It does prevent him getting the increase that is provided in this bill, as we say, if he earns over $1,200 a year. Then he does not need this increase.

Mr. HYDE. Is it not true that some pensioners can go out and earn $1,200 or more without having their pensions affected whereas those who are particularly affected by this bill cannot do so?

Mr. CEDERBERG. No.

Mr. HYDE. Sure. The bill applies to those who are getting an increase.

Mr. CEDERBERG. The bill treats everybody alike. Anyone can earn what he wants and not have his pension affected whatsoever.

Mr. HYDE. Everybody is not getting an increase under this bill?

Mr. CEDERBERG. Yes.

Mr. HYDE. Those who are not getting an increase under the bill can earn what they please?

Mr. CEDERBERG. Yes, they can earn anything they want. There is nothing wrong with that.

Mr. HYDE. Well, I would violently disagree with the gentleman on that.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from California.

Mr. BALDWIN. I would like to congratulate the gentleman from Maryland for offering his amendment. As I understand it, in all previous bills affecting the pensions of civil employees, this is the first time we have endeavored to bar a civil employee from getting an increase in retirement annuity because he has earned some other income?

Mr. HYDE. That is my understanding.

Mr. BALDWIN. I do not believe we should establish this precedent.

Mr. HYDE. I do not think we should start that practice now.

Mr. CEDERBERG. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, we are faced with this problem: We have many employees who have worked for the Government for 5 years, 10 years, some even 20 years or 30 years; then they leave the Federal Government after earning a stipulated amount for their retirement. They take full-time jobs on the outside. I do not see how you can justify an increase in a man's annuity over and above what he earned during the time of his service if he is employed on the outside. I think that just makes commonsense. Otherwise, we are going to do violence to the solvency of this fund if you are going to allow everyone to go outside and earn all they want and still have their annuities increased from time to time over and above that which they have earned.

This problem came before our subcommittee and as a result the full committee asked the Civil Service Commission to make some kind of an investigation as to just what was happening in regard to former annuitants receiving outside income. We have that report available, which shows that an overwhelming number are in addition to receiving their annuity working on the outside at additional jobs and also qualifying for social security. All this does is to say you cannot receive the 10 percent increase over and above what you earned if you are receiving adequate full-time income from the outside.

Mr. DENNISON. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Ohio.

Mr. DENNISON. Referring to that report the gentleman calls our attention to, which was received either today or a few days ago, that shows of all the annuitants on the rolls 23.8 percent are receiving income from wages or self-employment, and the average is $1,907 per year.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Tennessee.

Mr. MURRAY. May I say that I agree wholeheartedly with the position taken by the gentleman from Michigan. Many of these employees who are retired and who have qualified for an annuity, enter into private employment and they will also qualify for social security. Any annuitant making $1,200 a year on the outside should not receive this benefit because this fund is not solvent. I have yet to hear one Member of this body say that this fund is actuarily sound.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from California.

Mr. BALDWIN. Is it not true that those employees who retired after October 1, 1956, are going to receive the full amount provided by the law that we passed applicable to them?

Mr. CEDERBERG. That is right.

Mr. BALDWIN. The effect of this bill in its present form would be limiting the income of the employees covered by this bill to $1,200; but would not apply any such limitation to a man who retired after October 1, 1956; is that right?

Mr. CEDERBERG. That is right, because their income, their annuity, is not being increased any above what is the basic law for retirement. This is over and above the basic law which is in existence for retirement.

Mr. BALDWIN. Is it not correct that as soon as this bill becomes law this bill then would become a part of that basic law?

Mr. CEDERBERG. No, it will not. This is an increase in annuities for those already on the retired roll.

Mr. BALDWIN. How can the gentleman justify that a man who retired a month before October 1, 1956, will be up against this limitation and the man who retired later will not?

Mr. CEDERBERG. The man who retired a month before is going to have an increase over and above what he received when he retired. This only applies to the increase.

Mr. BALDWIN. The man who retired October 1, 1956, may not receive this increase, but he will receive an increase through the group we are applying this to.

Mr. CEDERBERG. That is correct.

Mr. DENNISON. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Ohio.

Mr. DENNISON. The fact of the matter is that those who retired prior to October 1, 1956, will, if this bill is passed, in most cases, receive more than those who are retiring hereafter or retiring today.

Mr. CEDERBERG. That is correct.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Is this not the situation? The employee contracted for and received his retirement benefits, and this does not affect him in any particular?

Mr. CEDERBERG. That is correct.

Mr. ALBERT. Now, with living costs being what they are, we say that we have got to give him something extra.

Mr. CEDERBERG. That is right.

Mr. ALBERT. And that is all that this bill pertains to, is that not correct?

Mr. CEDERBERG. That is absolutely correct.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Maryland.

Mr. HYDE. The man who happened to retire after October 1, 1956, retired on the basis of his contract.

Mr. CEDERBERG. Their contract was the same.

Mr. HYDE. Except we came along in 1956 and passed a law increasing the retirement for those who retired after 1956. He got an increase on the basis of his contract.

Mr. CEDERBERG. The fellow who retired before October 1, 1956, in many instances, is receiving more.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mrs. PFOST. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would just like to call the attention of the committee to the fact that this $1,200 limitation applies only to earned income. These retirees may receive any amount of money as interest on investments, as dividend checks, as social security, or as other types of unearned income. The limitation does not apply to veterans' pensions or any other type of pensions. It applies only to the amount of money which is earned with one's hands or one's brains. So I hope you will not be confused in considering this amendment in thinking that the annuitant is entitled to only $1,200 of outside income, and that if they receive any additional income from any source, they cannot receive this increase in their annuity. This is not true. The limitation applies only to earned income.

Mr. CEDERBERG. Mr. Chairman, will the gentlewoman yield?

Mrs. PFOST. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Is it not true that under the provisions of this bill one who is already retired could be receiving his retirement from the Government; he could be earning less than $1,200, say $1,000, and he could also draw his social security?

Mrs. PFOST. That is right.

Mr. CEDERBERG. Because that is less than $1,200, and also receive 10 percent provided for in this bill.

Mrs. PFOST. You are absolutely correct.

Mr. CEDERBERG. Now, that is liberal enough for me.

Mrs. PFOST. Mr. Chairman, I hope this amendment is voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. HYDE].

The amendment was rejected.

Mr. EDMONDSON. Mr. Chairman, this is sorely needed legislation and I congratulate the committee for reporting it to the House.

A Government annuity is one of the greatest incentives that we have to attract fine people into Government service—but without legislation such as this a Government annuity means very little in these inflationary times.

As a matter of equity to our retirees, and also as a matter of maintaining the incentives for Government service, I urge the passage of this increase legislation.

Mr. BENNETT of Florida. Mr. Chairman, I congratulate the committee on bringing this legislation to us for action. I have introduced similar legislation and feel that a solution to the needs met in this bill is long overdue. Perhaps the legislation needs amendment but there is no denying that the proposed legislation as it now stands is a big improvement over what law now provides. I sincerely solicit sympathetic support for this proposal or an amended measure.

Mr. BOLAND. Mr. Chairman, I am very pleased that this legislation to increase the annuities of Federal employees who have retired after a record of devoted service to their Government has finally reached the floor of the House for a vote. I support the measure, but with some misgivings that it does not go far enough. I was the sponsor of a pension increase bill, H. R. 4085, filed on January 30, 1957, that would have given these retired employees a larger increase in their annuity, particularly those who had retired prior to October 1, 1956, when the more liberalized retirement benefits went into effect.

When we consider that nearly 40 percent of all persons on the retirement roll on June 30, 1956 were receiving less than $100 a month, or $1,200 a year, we have irrefutable evidence that a great need for higher annuities exists. Many of these annuitants are elderly and share their meager pension with a dependent. They have reached a time in life when they require constant medical attention. And a large proportion retired at a time when Government salaries were small in terms of the dollars received today. At the time of retirement those salaries may have bought as much or more than those of the present day, but they constituted the basis on which today's annuities were based. Even with the last increase of annuities those amounts still are inadequate for living in minimum comfort, for prices have continued to rise.

This legislation is not perfect, but I believe it is the best possible than can come before the House at this time. I urge my colleagues to join me in supporting the bill because we in Congress have a moral responsibility to these retired employees. I hope that the measure will be adopted unanimously.

Mr. O'HARA of Illinois. Mr. Chairman, today we are concerned with recession. It is important that we devise ways and means of preventing its development into a depression. Many students of the subject assure us that built-in safeguards which retain purchasing in the hands of our senior citizens is one means of staving off the catastrophe which engulfed us in 1929.

On the first day of the 2d session of the 85th Congress, I introduced H. R. 362 to increase the annuities of civil-service employees who had retired prior to October 1, 1956, and who were not included under Public Law 854 of the 84th Congress.

At the committee hearing I was the first witness to testify on June 29, 1957, for enactment of this legislation. I based my argument on the fact that we must bring Federal annuities in line with the cost of living not only in fairness to those who have served their Government faithfully and with distinction, but also in the interest of continuing Government service on a high level. I pointed out that private industry, with its growing awareness of the need for providing

future security for its employees, is setting up systems of annuities which give Government serious competition. Legislation which will bring the incomes of retired civil-service employees into line with increased living costs today is recommended to our action by every sense of fairness.

Retirement benefits to a large number of our retired civil-service employees and their survivors are grossly inadequate. Today some 50,000 receive approximately $50 per month; another 50,000 receive between $50 and $100 a month. Seventy-five percent receive less than $150 per month. I need not call to the attention of my colleagues that such incomes are totally inadequate to cover the cost of living in this day of the inflated dollar. Such figures speak for themselves and I need not disclose the details of the pathetic letters I have received which make incontrovertible evidence of the need for increased annuities.

It is not enough to appoint committees to study the problems of the aging. We must not be content with pointing out the fact that medical science has prolonged the span of life. Today the job is to put into the pockets of our aging civil service workers money which will meet the cost of living and the soaring cost of medical care. Fair treatment for our aging civil service employees is fair treatment for all Americans.

Mr. Chairman, I am supporting the amendment to substitute for the measure now before us the language of S. 72. I appreciate the hard work of the subcommittee and of its devoted chairwoman, Mrs. PFOST, and that it is the thought of the gentlewoman from Idaho and others of the committee that this is the best bill possible to pass the House and that there is hope that the conferees will liberalize its provisions. Certainly I would not wish to lose everything by standing out for all that these aging men and women deserve and should be voted.

Nevertheless, I am supporting the amendment and in so doing I am not fearful that its adoption would endanger the bill itself. I have too much faith and confidence in the good hearts and keen understanding of my colleagues. The provisions of S. 72 are very similar to those of H. R. 362, which I introduced much more than a year ago, and to those of the bills introduced by so many of my colleagues in the House. I see no good reason why we should retreat from a position that we thought well grounded in justice at the time we threw our bills in the hopper. Times have not changed for the better. Indeed continuing inflation has made deeper and deeper inroads. I am happy for the relief contained in the House bill now under consideration because at least it is something, but I would be infinitely more happy if the measure of the relief were more in line with the need and with the facts in justification. I urge the adoption of the amendment.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee arises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 607) to provide for increases in the annuities of annuitants under the Civil Service Retirement Act of May 29, 1930, as amended, pursuant to House Resolution 511, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on passage of the bill.

The bill was passed.

Mrs. PFOST. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 72) to increase annuities payable to certain annuitants from the civil-service retirement and disability fund, and for other purposes, which is similar to the bill just passed, strike out all after the enacting clause of said bill, and insert the language of the bill H. R. 607 as passed.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

Mrs. PFOST. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. PFOST: Strike out all after the enacting clause of S. 72 and insert the provisions of H. R. 607 as passed.

The SPEAKER pro tempore. The question is on the amendment offered by the gentlewoman from Idaho.

The amendment was agreed to.

The Senate bill was ordered to be read a third time and was read the third time and passed.

A motion to reconsider was laid on the table.

A similar House bill (H. R. 607) was laid upon the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on the bill just passed.

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

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 75. Concurrent resolution relative to the reenrollment of S. 2120, to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division.

LOWER RIO GRANDE REHABILITATION PROJECT, TEXAS, MERCEDES DIVISON

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 75.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States is requested to return to the Senate the enrolled bill (S. 2120) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division.

If and when the said bill is returned by the President, the action of the Presiding Officer in signing same shall be deemed rescinded, and the Secretary of the Senate is authorized and directed, in the reenrollment of said bill, to make the following correction:

In line 2 of section 3 of the House engrossed amendment, after the words "to lands", insert "in this project."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. ALLEN of Illinois. Mr. Speaker, reserving the right to object, has this been cleared with the ranking Minority Member of the committee?

Mr. ASPINALL. It has been cleared with the Chairman of the Committee on Interior and Insular Affairs and by the ranking Member of the Committee.

Mr. ALLEN of Illinois. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

FEDERAL EMPLOYEES' GROUP LIFE INSURANCE

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 512 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1740) to authorize the payment from the employees' life insurance fund of expenses incurred by the Civil Service Commission in assuming and maintaining the assets and liabilities of certain beneficial associations, and all points of order against said bill are hereby waived. After general debate, which

shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself such time as I may consume.

Mr. Speaker, House Resolution 512 makes in order the consideration of S. 1740. The resolution provides for an open rule, 1 hour of general debate and waives points of order against the bill.

The bill would authorize use of the insurance fund under the Federal Employees' Group Life Insurance Act without limitation to cover the cost of administrative expenses that will be incurred in completing the take-over of certain employee beneficial associations which was started under Public Law 356 of the 84th Congress. This law amended section 10 of the Federal Employees Group Life Insurance Act of 1954 to authorize the Commission, in behalf of the employees' life insurance fund, to arrange for the assumption of the life insurance agreements and assets of various nonprofit associations of Federal and District of Columbia employees. Under present law, the insurance fund is available for payment of the Commission's expenses incurred in the administration of the act, but only within such limits as are specified annually in appropriation acts.

The Commission assumed the life insurance agreements and assets of 16 beneficial associations with a membership of over 50,000 persons. The negotiations to assume the assets of 9 other beneficial associations, with a membership of approximately 95,000 persons, had to be canceled in 1956 because of lack of authorized funds.

The estimated administrative cost of assuming beneficial association insurance obligations and assets not yet taken over by the Commission is $76,500. First year costs will amount to an additional $108,800. No appropriated money is involved since these amounts are available to the Commission in the insurance fund which now amounts to over $100 million.

The bill is amended to provide that the arrangements so authorized shall be made not later than 3 months following the date of the enactment of the bill.

I urge the adoption of House Resolution 512.

Mr. ALLEN of Illinois. Mr. Speaker, I know of nc opposition to the rule or the bill.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. MURRAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1740) to authorize the payment from the employees' life insurance fund of expenses incurred by the Civil Service Commission in assuming and maintaining the assets and liabilities of certain beneficial associations.

The motion was agreed to.

Accordingly the House resolved itself into the Committee on the Whole House on the State of the Union for the consideration of the bill S. 1740, with Mr. EDMONDSON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MURRAY. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, I was chairman of the subcommittee which considered the bill S. 1740 and the companion House bills. There had been some confusion existing as to the legislative history of the provisions of this particular bill as well as to its intents and purpose. The subcommittee, therefore, made every effort to secure full and factual testimony from all parties concerned. This included not only information from the employee beneficial groups and the departments and agencies but also from outside business concerns. After consideration of this testimony the subcommittee arrived at the unanimous conclusion that the Congress has not only a legal obligation but also a moral responsibility for the passage of this bill.

Since this bill was reported by the full committee in the closing days of the first session, calls have been received from a considerable number of Members of this House as well as of the other body urging that favorable action be taken on this bill. I call your attention to this fact, that if action is not taken on this legislation, there are some 95,000 Federal employees or former employees whose insurance policies in these employee beneficial associations will be lost. This is due to the fact that with a decreasing base on which their premiums are based, the cost of continuing participation will be absolutely prohibitive. This is especially true of the some 40,000 retired Federal employees who are no longer able to secure commercial-type insurance due to their age or infirmities.

These 40,000 persons have term insurance policies ranging between $300 and $1,000. In some instances they have carried these policies on a term basis for over 30 years. They consider such policies to be their burial funds. In both the 83d and 84th Congresses, provisions of law were made to take care of the policies of these individuals.

In both Congresses this obligation was met. However, the 85th Congress in its 1st session failed to authorize the expenditure of moneys from the Federal group life insurance fund which would allow the Civil Service Commission to complete the absorption of those policies. As a result, a number of the associations are on the verge of breaking up and dissolving their group insurance policies. In fact, one group with some 6,500 members is carrying on on a day-to-day basis. I am informed other groups will, of necessity, have to be dissolved within the next few months unless this legislation is enacted. The enactment of this legislation, and I call your attention to this, involves in no way the use of appropriated money. There is an immediate cost to the Federal group life insurance fund of approximately $76,500. That fund now enjoys a reserve of about $120 million. Briefly, those are the reasons why this legislation is very much needed at the present time. In fact, it is imperative that prompt action be taken on this bill, if we expect to save the beneficiaries of these Federal employee group policies. There are some 40,000 retired who will benefit by this legislation. There are some 20,000 separated who are not yet retired and who will benefit by it. There is one thing which I would like to call to your attention in connection with the consideration of this bill. There are 25 of these employee benefit groups who were affected when the Federal life insurance program was adopted. The cost of the premium under the Federal life insurance group program is so much less than the cost of the premium to the members of these employee benefit groups that immediately they began to leave them and join the Federal life insurance program. The cost of the premium under the Federal life insurance program is 78 cents per thousand per month. The premium for the groups under these 25 employee groups ranges from $1.78 per thousand per month to $14 per month per thousand. The result is that immediately they began to leave these benefit groups and take the insurance out in the Federal employee insurance program.

There are 16 of these groups who have already been provided for. The Federal employee insurance program assumes all of the obligations under the old arrangement and takes over all of the assets which these employee group associations have. There are 16 of them already qualified who have already turned over their assets and whose obligations have been assumed by the Federal group-life insurance program. But, those 16 organizations carry only 55,000 membership. There still remain 9 of those associations to be taken care of and their membership is 95,000. So that the greater number of these employee benefit groups will still remain to be cared for. The present bill would take care of them. It is imperative that the legislation be enacted promptly. I know of no opposition to it, and I strongly urge that the legislation be adopted.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. NEAL. Has the age of the group you are taking over reached the point where they will become quite a liability for the life-insurance organization?

Mr. DAVIS of Georgia. The average age of the holders of membership of these employees is 58. Many are older than that. They have reached the age where unless this legislation is passed, the insurance they have been paying on for as long as 30 years in some instances, and which is looked upon as their burial fund, will be taken away from them, and they cannot get other insurance

now. Being out of Government service they cannot participate in the Federal Government insurance program. So they will be left high and dry with nothing.

Mr. NEAL. I thank the gentleman.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. MURRAY. I heartily endorse the position taken by the gentleman in this case. It was passed unanimously by the Senate. It was also voted out unanimously by our committee. I do not think there is any objection to this bill.

Mr. DAVIS of Georgia. I thank the distinguished gentleman.

Mr. MURRAY. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. ROBESON].

Mr. ROBESON of Virginia. Mr. Chairman, I sponsored the House bill to provide the legislation which we are now considering as S. 1740. It will allow the Federal Government to treat the retired employees of 9 groups equitably with those in the 15 which have already been taken care of.

I am not aware of any opposition to the legislation and see no reason why it should be opposed. Certainly I would not have sponsored it if I did not think it was meritorious and deserved support.

I yield back the remainder of my time.

Mr. REES of Kansas. Mr. Chairman, I am interested in the provisions of bill S. 1740 primarily because of the commitments the Congress made to a large number of retired Federal employees who would be seriously affected by our failure to act.

I was chairman of the committee during the 83d Congress when the Federal Employees' Group Life Insurance Act of 1954 was recommended for passage. The committee at that time gave serious consideration to the possibility that the establishment of a Federal life insurance program with some 2 million policyholders would tend to completely eliminate the life insurance policies of the 25 Federal employees' beneficial associations. It was recognized that the much lower premium required on a 2 million base would cause the membership of these associations to drop their group insurance and accept the Federal insurance. This would reduce the insurance base of these smaller groups to such an extent that the premium they must pay for their insurance policies would be prohibitive.

The committee therefore recommended that the assets and liabilities of these various groups be assumed by the Federal employees' group life insurance fund, with the policies of the individual members remaining in force at face value and with the premiums to be paid therefor to be stabilized at their current rate. Section 10 of the act also authorizes the Civil Service Commission to use moneys from the Federal life insurance fund for the purposes of defraying the administrative expenses involved. The act further provided that the amount of such expenditure was to be limited by action of the Appropriations Committees.

During the 83d and 84th Congresses this contractual obligation of the Federal Government was recognized and authority to expend money for administrative expenses was granted. The 85th Congress, however, denied this authority. This action has jeopardized the life-insurance policies of some 95,000 employees and former employees of the Federal Government. Forty thousand of these are over 60 years of age and are not in a position to secure new insurance if they lose their present policies in the beneficial associations.

It is my sincere judgment that the Congress has entered into a firm agreement with these people whereby their life-insurance policies would be saved to them and that if we fail to act on S. 1740, we have violated not only a legal agreement but a moral responsibility.

The cost involved in assuming and maintaining the policies of these members of the employee beneficial associations does not in any way involve appropriated money. The action required is authority for the Civil Service Commission to expend the necessary money from the Federal Employees' Group Life Insurance Fund. This fund now has over $120 million in reserve. The immediate cost involved in carrying out the provisions of this bill is estimated at $76,500.

I feel that it is the equitable and fair thing to do to pass this bill in order to take care of the people holding policies in these few remaining beneficial associations.

Mr. MURRAY. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That section 5 (c) of the Federal Employees' Group Life Insurance Act of 1954 is amended by inserting before the colon preceding the proviso therein a comma and the following: "except that such funds shall be available, without regard to any such limitations, for payment of any such expenses incurred in assuming and maintaining the assets and liabilities of asciations referred to in section 10."

With the following committee amendment:

Page 2, line 1, insert:

"SEC. 2. Section 10 (d) of the Federal Employees' Group Life Insurance Act of 1954 (5 U. S. C. 2099 (d)) is amended to read as follows:

"'(d) The arrangements authorized by this section shall be made not later than 3 months following the date of enactment of this amendment. Such arrangements shall apply only to life-insurance agreements existing on August 11, 1955, and on the date of the respective arrangement.'"

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and Mr. ALBERT having assumed the chair as Speaker pro tempore, Mr. EDMONDSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 1740), to authorize the payment from the Employees' Life Insurance Fund of expenses incurred by the Civil Service Commission in assuming and maintaining the assets and liabilities of certain beneficial associations, pursuant to House Resolution 512, he reported the same back to the House, with an amendment adopted in Committee of the Whole.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title of the bill was amended to read: "An act to authorize the payment from the Employees' Life Insurance Fund of expenses incurred by the Civil Service Commission in making certain beneficial association assumption agreements and to extend the time for making such agreements."

FOREIGN TRADE INTERESTS IN MICHIGAN

Mr. LESINSKI. 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 Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, since the time I was first elected to Congress, I have been receiving a large amount of correspondence in opposition to the foreign-trade policies which have been in effect for many years. However, despite that correspondence, in talking with people I have found the opposite view expressed.

In order to be factual and fair in my representation of my constituents, in 1956 I initiated a study for the express purpose of finding out exactly what the situation is in my District and the surrounding area. While there may be a slight difference of opinion today because of the critical unemployment situation and the lack of proper administration in the protection of industry at home, the facts show that foreign trade programs benefit all, for if we do not buy we cannot sell.

The report Foreign Trade Interests in the State of Michigan was prepared by the Legislative Reference Service of the Library of Congress in 1956 and was printed in 1957 as House Document 209. I should like to present here a summary of the foreign-trade interests in Detroit and the nearby counties, which include Wayne, Oakland, Macomb, Monroe, and Washtenaw Counties. The survey included 80 percent of all manufacturing workers in Detroit and vicinity.

Almost 90 percent of the industrial workers in the Detroit area are employed by companies reporting that they have a positive interest in foreign trade, either in exporting some of their product, or in importing some of the raw materials they use. Concern over import

competition is slight. Nearly half of all manufacturing employment in the area in 1954 was in the automotive industry.

As shown in the following tabulation, 53 companies employing only 3.2 percent of the manufacturing workers in the area, expressed any concern over competition from imports. Almost half of the companies reporting indicated that they had no direct interest in exports or imports, or any concern over import competition.

Summary of foreign trade interests in the Detroit area, 1954

Foreign trade interest	Companies reporting		Employment		Output	
	Total	Percentage distribution	Total	Percentage distribution	Total	Percentage distribution
		Percent		*Percent*	*Millions*	*Percent*
Positive interest	316	44.8	449,716	89.5	$11,089	93.2
Concerned over import competition	53	7.5	16,012	3.2	301	2.5
No direct interest	336	47.6	36,541	7.3	507	4.3
Total	705	99.9	502,269	100.0	11,897	100.0

FOREIGN TRADE INTERESTS, BY INDUSTRY

In all but four of the industries in this area workers employed by companies reporting that they have a net positive interest in foreign trade were greater in number than those employed by companies reporting that they are concerned over import competition.

INDUSTRIES HAVING A NET "POSITIVE" INTEREST IN FOREIGN TRADE

[In percent]

Industry	Distribution of workers employed by companies reporting—			
	A positive interest in foreign trade	Concern over import competition	No interest in foreign trade	Total
Tobacco	100.0			100
Automotive	99.5		0.5	100
Textiles	99.3	0.6	.1	100
Rubber products	97.2	.4	2.4	100
Paper products	94.9		5.1	100
Electrical machinery	94.1	.1	5.8	100
Transportation equipment	87.0	.4	12.6	100
Printing and publishing	38.9		61.1	100
Lumber and millwork	26.2		73.8	100
Machinery	85.0	3.0	12.0	100
Primary metals	84.8	5.0	10.2	100
Fabricated metals	69.5	2.7	27.8	100
Food products	64.5	7.5	28.0	100
Miscellaneous	60.5	22.8	16.7	100
Furniture and fixtures	31.8	12.8	55.4	100

INDUSTRIES WHOSE NET INTEREST IS CONCERN OVER IMPORT COMPETITION

[In percent]

Industry	Distribution of workers employed by companies reporting—			
	A positive interest in foreign trade	Concern over import competition	No interest in foreign trade	Total
Instruments	10.2	74.2	15.6	100
Chemicals	38.4	55.8	5.8	100
Stone, clay, and glass	22.6	28.3	49.1	100
Apparel	1.8	13.1	85.1	100

INTEREST IN EXPORTS

About one-third of the reporting manufacturing companies in this area indicated that they export some of their product. These companies account for over 85 percent of total reported manufacturing employment in the area and their aggregate production in 1954 ($11 billion) accounted for over 90 percent of total reported manufacturing output in the area. Exports are largest in the automotive, machinery, fabricated metals, and chemical industries. The proportion of exports to total output was greatest in the chemical industry, amounting to 12 percent in 1954.

IMPORTED RAW MATERIALS

About 25 percent of the respondents, employing 374,000 workers, indicated that they use imported raw materials. The automotive industry accounts for the preponderant share of total employment in what might be called the importing industries. Other important users of imported materials are: the machinery, fabricated metals, food products, primary metals, chemicals, transportation equipment, textiles, electrical machinery, rubber products and instrument manufacturing industries.

IMPORT COMPETITION

The greatest proportion of companies indicating that they are concerned over import competition is in the apparel, textile, chemical, instruments, and rubber products industries. In terms of number of workers employed, concern over import competition is most concentrated in the instruments, chemical, stone, clay and glass, and miscellaneous industries.

About half of the 53 companies reporting concern over import competition indicated that the effects of such competition upon their business are substantial. The remainder indicated that the effects have been slight.

The 27 companies indicating that they are seriously concerned over imports employed about 11,000 workers, or 2 percent of all industrial workers covered in the area in 1954.

AGRICULTURE

Although the Detroit area is Michigan's most heavily industrialized region, it accounts for approximately 10 percent of all agricultural activity in the State.

The foreign-trade interest in agriculture in the region is similar to that for the State as a whole, with export interests accounting for close to 20 percent of cash receipts from farm marketings, while concern over import competition is indicated with respect to commodities accounting for about 5 percent of total cash receipts. Over three-fourths of the commodities grown in the area are by producers who indicate that they have no direct interest in foreign trade.

Exports are important to growers of corn, soybeans, and wheat. On the import competitive side are eggs, onions, lettuce, potatoes, wool, and sugar beets.

Conditions in the Detroit marketing area have considerable influence upon the prosperity of Michigan farmers. In some instances the port facilities of Detroit afford the farmers a good opportunity to ship their produce abroad. However, the principal concern of farmers in the area is the prosperity of the Detroit area, based primarily upon manufacturing activity.

A SALUTE TO THE HEROISM OF THOSE BEHIND THE IRON CURTAIN

Mr. DELLAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. DELLAY. Mr. Speaker, in commemorating the 40th anniversary of the proclamation of independence of the Byelorussian Democratic Republic, I bow my head in mixed sadness and shame. Deep sympathy for those who have resisted and have died in a seemingly hopeless fight, but gave their all in a superhuman struggle to keep the fluttering spark of freedom glowing, even if dimly, behind the Iron Curtain. Sadness and a feeling of guilt and shame as I join with many fellow Americans, living in complete freedom and during a period of ample prosperity, trying to sound sincere in honoring the Byelorussians and their counterparts behind the Iron Curtain, who live in subjugation bordering on modern slavery. As each year passes the suffering of freedom loving people under the Kremlin heel goes on while some who mouth apparent sympathy and understanding, also speak of peaceful coexistence with the Kremlin. In order to relieve world tension, they ask that we should give thought to dealing on a common level with belief in God, merged with atheism, that 48 States and its Territories exemplifying the greatest freedoms of this world be represented in conferences with Soviet puppets who have joined hands with the bloody-handed masters in the Kremlin.

It was a great American who stated, "Give me liberty or give me death," another—"I regret that I have but one life to give for my Country."

As time passes such thoughts seem more expressive to the sacrifices made abroad in other lands rather than our own homeland, whose early history holds far more in common with our heroic and courageous freedom loving friends, than the craven phrases of "peaceful coexistence," that is becoming the chant that is music to the Soviet puppets for whom we will forsake those whom we would say we are honoring today. I will try to lift my head by stating that

maximum economic sanctions against Soviet Russia, Red China and all puppet satellite governments be imposed.

Let us join in positive action rather than annual public utterances of sympathy and inaction. Let those nations who call for sacrifices on the part of other less fortunate countries stand with us. Let us not hold up our heads just long enough to be heard for a brief moment. Let us hold it up in pride and keep it up with continued courage in action.

SURPLUS COTTON

Mr. METCALF. 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 Montana.

There was no objection.

Mr. METCALF. Mr. Speaker, I have introduced today a bill to instruct the Secretary of Agriculture to use surplus section 32 money to buy agricultural commodities and provide a varied diet for our needy. It is a companion to a measure being offered in the other body by the senior Senator from Alabama [Mr. HILL] and the junior Senator from North Carolina [Mr. SCOTT].

Section 32 of the Customs, or Tariff Act of 1935 appropriated 30 percent of all tariff receipts to the Department of Agriculture for the diversion from trade channels of surplus agricultural commodities.

This money is set aside in a special fund to be spent by the Secretary of Agriculture, among other things, to "encourage the domestic consumption of agricultural commodities by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low income groups," as later amended to include the school lunch program, and to "reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption."

Receipts of the Department are running over $200 million per year. A surplus has accumulated and it is provided that sums in excess of $300 million revert to the Treasury at the end of each fiscal year. At the beginning of this year, there was a $297 million carryover and receipts will bring total funds available to the Department of Agriculture to more than $514 million.

The Agriculture appropriations hearings indicate that less than one-third of this amount will be spent for the purchase and distribution of surplus food to schoolchildren, charitable institutions and needy citizens. A balance of $364 million is expected June 30, so $300 million will be carried into fiscal 1959 and $64 million will revert to the Treasury.

The Department is estimating that it will spend about $150 million in fiscal 1959, out of more than $500 million available, and let another $67 million revert to the Treasury on July 1, 1960.

In the preceding 2 fiscal years, the Secretary has had available a total of more than $600 million in section 32 funds. He spent $361 million of it. In fiscal 1957, when he spent $142.9 million in section 32 funds, the Department spent almost $90 million, or three-fifths of that amount, on feed for livestock in flood and drought disaster areas. This is not to criticize disaster relief programs for livestock. It is to remind the administration that people are important, too.

As you know, we have more than 5 million unemployed in this country. The Pacific Northwest has been hit the hardest. As of the most recent report I have seen, Montana had the highest rate of unemployment in the Nation, 14.9 percent of those covered by unemployment compensation were jobless. The situation is virtually the same in Idaho, Washington, and Oregon.

Unemployment has continued until unemployment compensation benefits are running out for about 35,000 a week. Today, it is estimated that 2 million of these unemployed are without any income whatever. In addition, there are the other needy—dependent children, the crippled and the helpless. Additional millions of elder citizens live on pensions or social security payments too small to permit them a decent diet.

On the one hand we have such an abundance of farm commodities that farm prices are depressed. On the other are millions of our citizens being inadequately fed. In between is the Secretary of Agriculture with the authority and the money to help the farmers and the needy citizens of the Nation. It is shocking that he does not propose to act.

At the very time unemployment was rising fastest—during the last 6 months—Secretary Benson has been reducing the rate of donations of foodstuffs to all classes of needy, including school lunches, institutions, and needy citizens.

On March 25, our able colleague, the gentleman from Michigan [Mr. DINGELL] put into the RECORD, starting on page 5314, the statistics showing precisely how the rate of donation of foods has declined as need for food has risen.

The bill we are introducing today:

First. Cancels the provision for funds to revert thereby keeping available about $64 million scheduled to revert next July 1.

Second. Make the dietary needs of the needy a criterion for the expenditure of these excess funds.

Third. Provide that out of the regularly available funds—current annual receipts plus the $300 million carryover—the Secretary shall first set aside sums required to remove agricultural surpluses and carry out the existing provisions of the act, and then devote any excess to the purchase of commodities in adequate supply for the needy.

This measure will benefit both farmers and needy citizens.

The Department of Agriculture has been distributing some flour, cornmeal, dried milk, and rice out of its storable commodities on hand. Within the past few days it has had about 18 million pounds of butter and 2.8 million pounds of cheese packaged for donation to needy—less than 3 pounds of butter and one-half pound of cheese per family for the unemployed and other needy low-income citizens.

These foods have been classified as in surplus.

Others which have not, but which are in such large supply that farmers' returns are seriously depressed, include peanuts, selling at 75 percent of parity; dry edible beans, selling at 77 percent of parity; oilseeds, selling off the farms at 77 percent for cottonseed and 69 percent of parity for soybeans; chickens, bringing only 68 percent of parity on February 15; turkeys, bringing only 61 percent of parity; citrus fruits, potatoes, and many others.

Government purchase of some of these commodities for needy citizens would help them when they need it. At the same time, it would help our farmers.

THE EXPEDITED CASE OF LEAD AND ZINC

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, the unemployed lead and zinc miners of America are still waiting for a decision by the Tariff Commission on their industry's application for statutory relief under the escape clause of the Reciprocal Trade Agreements Act.

In the District which I represent, thousands of other people who have been adversely affected by the general shutdown of lead and zinc mines, mills, and smelters are also waiting hopefully for a decision in the case which President Eisenhower said last fall would be expedited in the Tariff Commission.

What is behind the long delay in a decision in this case?

Who is responsible, and why?

One theory just advanced on the subject is found in the publication, Pay Dirt, for March 21, 1958, as follows:

FURTHER DELAY PREDICTED FOR LEAD-ZINC TARIFF REPORT

Tariff relief for the lead and zinc industries, under the escape clause provisions of the Trade Agreements Act, may still be several months away. This discouraging news was reported by H. F. Magnuson, Wallace (Idaho) mining executive, following receipt of a telegram from Meade Alcorn, chairman of the Republican National Committee.

Alcorn's telegram said: "Decision due on lead-zinc tariff application June 1958. Commission doing utmost to reach decision before that date."

In wiring Alcorn, requesting some word as to when a decision could be expected, Magnuson had pointed out that the Tariff Commission's delay had reached such a ridiculous state that it was threatening the political future of the Republican Party. "People of 15 Western States are anxiously awaiting a decision while the Commission is tied up in bureaucratic redtape," Magnuson said.

The charge has been widely circulated in Washington and in mining circles that the administration is holding back a decision on the lead-zinc tariff issue in the hope that it

will be able to swap a favorable decision for support of the reciprocal-trade program by western Congressmen.

The application for tariff relief was filed by the National Emergency Lead-Zinc Committee last September after Congress had failed to act on a bill which would have imposed an additional import tax on the two metals when prices fell below specified levels. At that time President Eisenhower said he would ask that the Tariff Commission expedite the case.

GOVERNORS LAG ON PUBLIC WORKS

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, the current frantic agitation for vast amounts of new funds for public works ignores the fact that large sums of money already allocated to the States have not been put to use. Some 13 States have more money in the till for highway construction than they will receive in their next appropriation for fiscal 1959. Twenty other States have more than half the amount of next year's allotment on hand, uncommitted, unprogramed, and apparently unnoticed.

It is deplorable that there is so much use of the crying towel in the States about lack of funds when vast sums of money lie around gathering dust in State vaults. Instead of weeping and wailing about the alleged lack of action in Washington, some of these harbingers of gloom and doom would do well to dry their eyes, take a good look in their own backyard, and use this frenetic energy to some good purpose.

According to the February report of the Bureau of Public Roads there are over $3½ billion in Federal aid for highway construction already available to the States. Of this something like $2 billion has not even been programed for use on any project.

Many States are so far behind, have been so slow to make use of the funds already at their disposal, that they have more money on hand than the whole of their upcoming allotment for 1959. The cold figures, set down in black and white, show there are 13 States that fall in this category. They have not yet even found a legitimate use for funds on hand that equal or surpass the amounts they are to get next year. Twenty other States have funds equal to over half of their 1959 allotment still unprogramed for use.

Some of the loudest wailing has been heard from the Governor's mansion in Albany, where the occupant has been wringing his hands over the lack of funds for public works. Put the people to work, he says. Well, no one wants unemployment; but just who has been stalling? Just where is the bottleneck?

New York State has, on hand, over $162 million that could be used when and if the Governor flashes the green light. Of this $162 million, $32 million worth of project requests is now being processed in Washington. That means that $130 million of that $162 million is not being used because the State government has not so much as planned how to use it. New York has more money on hand for this purpose than any other State and you do not have to look very far to find out why. The plain fact is, the Governor has been so busy asking for more money he has not had the time to see to it the money he has now is put to use.

This is just one area. There are many others. In the field of water pollution, for example, the Federal Government has given to the States $100 million. The States have plenty of takers. Their local governments have forwarded to them over $142 million in requests, an amount which should certainly assure full utilization of these funds. Yet the fact is only $76 million has actually been programed for use. Millions of dollars are lying around simply because the States are asleep at the switch.

Once again the people of New York have been shortchanged by the indifference of the State administration. Out of $5½ million, the Albany weepers have seen fit to sidetrack nearly $2 million—money that could well be used to meet the very situation the Governor has been so piously concerned about. It certainly is not doing anyone any good where it is now, stacked in neat green piles.

It is clear from these examples—and there are plenty of others—that one of the real bottlenecks in public works spending is right where the complaining is the loudest—in the State capitals. These professional spenders never have enough. Millions on hand won't stop them from screaming for millions more. It is about time someone called a halt. It is time for a realistic accounting and appraisal of just where we stand on public works and why.

And when that appraisal is completed, I suspect a few heads will roll, not in Washington, but in Albany and other State capitals.

THE EFFECT OF EXCESSIVE OIL IMPORTS

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Texas [Mr. IKARD] is recognized for 60 minutes.

Mr. IKARD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an analysis of legislation.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. IKARD. Mr. Speaker, today I am introducing a bill that will meet a problem that has been growing more serious daily. I refer to the ever-increasing threat to our Nation's security as a direct result of excessive oil imports. Mr. Speaker, as a member of the Committee on Ways and Means, I have listened over the past 5 weeks to literally hundreds of witnesses discuss the pros and cons of our trade-agreements program. Honest and sincere people have shown a sharp difference on just what is the right formula that would best serve the interests of our Nation in the matter of world trade. I have no quarrel with anyone who seeks to set forth his reason for or against the bill now pending before our committee which would extend the President's authority to enter into additional trade agreements over the next 5 years; however, during the public hearings on this pending legislation it has become increasingly obvious to me that the trade-agreements program has been our principal instrument of foreign economic policy for virtually a quarter of a century.

In general, there is wide agreement that the trade-agreements program has served the best interests of our country, and most of us recognize the importance of the trade agreements that have been developed within the Free World and that it is our purpose by this program to expand and protect such trade because it is a binding force and an element of common strength in the face of the dangers and threats of Communist imperialism. Regardless of the important impact that increased international trade has on the economic status of agriculture, labor, and industry, in general, honest men still differ on the right road to follow on any trade program when dealing solely with economics. But, Mr. Speaker, no person, in or out of Government, will tolerate placing in jeopardy the security and defense of this Nation and the conservation of our natural resources.

This brings me to the heart and core of the bill that I have introduced here today. This proposal simply spells out in clear language that everyone can understand what we thought we were enacting 3 years ago when Congress extended the Trade Agreements Act.

Each Member of Congress will recall that in passing the Trade Agreement Extension Act of 1955, Congress wrote into the law the so-called national defense amendment. It will be recalled that this provision was enacted to meet a pressing need for placing in the hands of the President the necessary tools for curbing excessive imports whenever the President deemed them a threat to national security. This provision was in recognition of a longstanding Congressional policy that our liberalized trade laws must not be used to cripple a domestic industry vital to our security. At the time of adoption of the national security amendment, the Senate Finance Committee stated in its report—Report No. 232, 84th Congress, 1st session:

> The committee had before it several proposals dealing with specific commodities, namely, petroleum, fluorspar, lead, and zinc. In lieu of specific action on each of these, the committee adopted an amendment which specifies that the Director of the Office of Defense Mobilization shall report to the President when he has reason to believe that imports of a commodity are entering the United States in such quantities as to threaten to impair the national security; that the President shall cause an immediate investigation to be made if he feels there is reason for such belief; and that the President, if he finds a threat to the national security exists shall take whatever action is

necessary to adjust imports to a level that will not threaten to impair the national security.

The committee believes that this amendment will provide a means of assistance to the various national defense industries which would have been affected by the individual amendments presented.

The White House issued on February 26, 1955, a report based on a study by the President's Advisory Committee on Energy Supplies and Resources Policy which indicates the importance of a strong, domestic petroleum industry.

In adopting the national defense amendment, Congress had before it the report of the Cabinet Fuels Committee noted in the Senate report which states among other things:

The Committee believes that if the imports of crude and residual oils should exceed significantly the respective proportions that these imports of oils bore to the production of domestic crude oil in 1954, the domestic fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense. There would be an inadequate incentive for exploration and the discovery of new sources of supply.

In view of the foregoing, the Committee concludes that in the interest of national defense imports should be kept in the balance recommended above. * * *

The Committee recommends, however, that if in the future the imports of crude oil and residual fuel oils exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, appropriate action should be taken.

It is evident that Congress clearly intended that this report should serve as a basis for implementing the national security amendment. The debate on the extension of the Trade Agreements Act in 1955 is replete with statements by Congressional leaders which bear out this conclusion. This was noteworthy legislation. It was reassuring to have this important provision written into the law especially since it was understood by all that in the case of petroleum the relationship between imports and domestic production for the year 1954 must be maintained in the best interests of our national security.

Soon after the enactment of this provision, the domestic petroleum industry set about to place before the Office of Defense Mobilization the facts and figures that proved conclusively that our national security was being threatened by excessive oil imports. Some 2 years later, during which time oil imports had risen steadily, the President agreed with the findings of his Special Committee to Investigate Crude Oil Imports which stated in its report:

Unless a reasonable limitation of petroleum imports is brought about, your Committee believes that:

(a) Oil imports will flow into this country in ever-mounting quantities, entirely disproportionate to the quantities needed to supplement domestic supply.

(b) There will be a resultant discouragement of, and decrease in, domestic production.

(c) There will be a marked decline in domestic exploration and development.

(d) In the event of a serious emergency, this Nation will find itself years away from attaining the level of petroleum production necessary to meet our national security needs.

If we are to have enough oil to meet our national security needs, there must be a limitation on imports that will insure a proper balance between imports and domestic production.

This was recognized again as late as last Thursday by the President when he implemented the present voluntary program. The real question, then, is what is the best and most effective method of curbing and controlling excessive oil imports. Many would favor the voluntary approach as the proper solution if it were practical and would work; but experience has shown us that some of the large importers refuse to cooperate with the Government in its voluntary program. By their action the entire voluntary program has been placed in jeopardy. Recently one company deliberately ignored the Government in its efforts to effectuate voluntary controls. Many of the importers which have been cooperating and restricting imports in line with the Government's request are on record that unless all comply, they feel no obligation to continue to do so. This places our Government in the position of having the success or failure of its program for the voluntary control of oil imports which the Cabinet Committees and the President have declared to be necessary for our national defense placed in the hands of the importers themselves.

It would seem that even if all the importers were complying, it is not in the best interests of this Nation nor in line with good Government policy to place any such program involving our national defense on such a flimsy basis. Voluntary programs do not embody sufficient firmness and stability on which those effected can plan and finance their exploratory and development programs which are so necessary if this Nation is to maintain sufficient oil production and reserves to maintain the proper defense posture. Also, we must recognize that the political scene changes and that as a result, policymakers in Government change from day to day, and the new policymakers are not necessarily bound by the acts and pronouncements of their predecessors. It simply comes down to this—that voluntary programs amount to government by men instead of by law.

Another weakness in the present program is that it does not cover the imports of petroleum products. For example, one large importer recently notified the Texas Railroad Commission that it plans to import 22,000 barrels daily of unfinished gasoline from Kuwait. Translated into crude equivalent, this amounts to approximately 50,000 barrels per day and more than offsets the voluntary reduction that this importer is making in its raw imports. There are indications that in the future there will be increasing imports of partially refined products for use in refineries.

It is significant to note that refining capacity, which is the means of turning crude into products, has increased since 1954 in the Western Hemisphere exclusive of the United States by more than 35 percent. Puerto Rico, for example, had no refining capacity in 1954 but now has a capacity of 72,000 barrels of crude per day. Cuba has increased its refining capacity from 8,000 barrels per day in 1954 to 84,000 barrels per day. Venezuela has shown an increase of over 40 percent to 756,000 barrels daily. During this year of 1958 alone programed expansion in the Western Hemisphere outside of the United States and Canada calls for a 15 percent increase.

In Europe the expansion of refining capacity has been at an even more rapid rate. In Europe this year's program calls for almost a 20 percent increase with individual countries expanding at even a greater rate. For example, in the United Kingdom, the expansion this year will approximate 46 percent. In Western Germany the increase will be 43 percent. In contrast to this rapid expansion taking place in foreign areas, it is anticipated that during this year refining capacity in the United States will be increased only by 4 percent. Now, what does this expanding refining capacity in foreign areas really mean? Its meaning is significant and clear. As these foreign areas develop refining facilities for making petroleum products, the crude that is now seeking markets in the United States at an increasing rate will be converted into products which will then seek a market in this country.

Mr. Speaker, these conditions make it clear that the Congress should write into law the bill which I have introduced today. In addition, however, it is important that we look at what has happened to the domestic oil industry during the 3 years that the National Defense Amendment has been a part of the Trade Agreements Act. The ratio of petroleum imports to domestic production has increased from 16.6 percent for the year 1954 to 18.3 percent in 1955, 20.1 percent in 1956, and 21.5 percent in 1957. For the first quarter of this year, 1958, it is estimated that this figure will increase to about 23.5 percent. Thus, we see that in spite of the Government's voluntary program under the Defense Amendment, the ratio of petroleum imports to domestic production has steadily grown. This clearly demonstrates that the voluntary program has not accomplished the job that the President, the Congress, and the Cabinet Committees have all agreed should be done.

All of the economic ills that are plaguing the domestic oil industry are not attributable to imports, but it is significant that today the United States oil production is depressed to its lowest level in 4 years. Total well completions during the first 2 months of 1958 were 8 percent below the inadequate levels of the same period for 1957, and even more important, exploratory wells were down about 25 percent. In the week ending March 10, rotary drilling rigs operating in the United States were 26.4 percent below the corresponding period last year. The actual number of rigs operating, 1,797, was the lowest in more than 10 years.

Another serious development has recently been brought to the attention of Congress. We have learned that reserves of domestic petroleum liquids declined 349 million barrels in 1957, the first such decline since 1943. This is an alarming

situation which has been caused by the marked decline in domestic exploration and development.

Congressional leaders have not been unmindful of this serious and alarming condition in the domestic industry. Some have suggested to the President that a mandatory reduction of 20 percent of oil imports be invoked under the present Trade Agreements Act and that imports be cut back from month to month on a basis comparable to cutbacks in the domestic industry in those States where prorating is in effect. The President did, on last Thursday, take further action to limit imports. Let's analyze the effect and significance of this latest action. Instead of reducing total imports by 20 percent as suggested by Senator LYNDON B. JOHNSON, the distinguished majority leader of the Senate, which would have meant a reduction of some 300,000 barrels daily, the President's action calls for a reduction of only 58,000 barrels per day. More important, the President asked that this reduction be made on a voluntary basis. As a result, this latest action is completely inadequate. It will not provide the firmness and stability that the domestic industry now needs and must have.

For over a generation, the people of the oil-producing States, believing in the necessity of true conservation of our natural resources, have developed legislative programs for the controlling and development of our petroleum resources in a way that would allow the least possible waste. The result has been that in a relatively few years we have moved from a point where it was not uncommon to recover for our use only 20 percent of the oil in the ground to our present-day methods where through the use of secondary recovery practices it is not unusual to recover 80 percent of the oil in a reservoir. The prevention of waste of our petroleum resources as provided by the various States' statutes makes the domestic petroleum industry the most closely regulated and controlled business in the country. The tremendous cost of secondary recovery of oil which would otherwise never be brought to the surface makes it especially vulnerable to low cost imported petroleum. The incentives which must be available for the continuation of our secondary recovery practices are lost when that oil is placed in direct competition with uncontrolled foreign importation. Many of the methods used to carry on secondary recovery operations are of such a nature that they must be in continuous operation, and once shut down, it is impossible to start them again. The State conservation statutes in some instances require a restriction of domestic production in line with market demand to prevent waste from excessive aboveground storage. This brings about a critical yet peculiar situation where many of our oil-producing States in order to prevent waste of one of our great natural resources are continually cutting back domestic production in order to prevent aboveground stocks. At the same time importers of foreign oil are increasing their importations and thereby increasing the stocks which the regulatory bodies in this country are trying to reduce. In the past 5 years oil production in the United States has increased only 5.6 percent. Production in Texas has actually decreased 2.5 percent. During this same period Canadian production has increased 92.8 percent; Venezuelan, 46.8 percent; and production in the Middle East, 52.8 percent. Is it fair to expect the States to bear the load of cutting production without placing a similar burden upon the importers of foreign oil? If this is not done in the same mandatory and enforceable way that the States restrict domestic production, our entire oil conservation program in this country will be destroyed. Is it fair to the conservation programs of the States to have them ruined by foreign imports? There should be some legal means of keeping imports in balance when domestic producers are restricted as to the amount of oil they can place in the American market and are subject to conviction under State and Federal statutes if they exceed that limit. There should be some type of the same restriction on foreign importers. It simply does not make sense to pursue one goal of national policy, that is the freeing of trade, at the expense of other goals of national policy, the conservation of our natural resources. As in all matters involving our national interest, we must strive for balance, and we must ever be responsive to the needs of this great and diversified economy of ours.

Under the present program of drastic curtailed domestic production such as is now in effect, it is probable that many wells will never produce anything like their real potential if they were operated under the most effective methods of secondary recovery. It is probable and increasingly possible that great amounts of petroleum, our greatest natural resource, will be forever lost to us. We must understand that true conservation does not mean that a resource should be set aside and held out of use. Potential resources are of no use at all, particularly in the time of an emergency, even though their existence and location may be known. True conservation means not only wise use but timely use. To be of value a resource must be developed. By intelligent study and application man has learned how to replace some natural resources. Minerals, however, are irreplaceable. There is only one crop.

There can be no question but what we need legislation that will effectively control the flood of imported oil which continues to threaten our National security and the conservation of our resources. It is abundantly clear that Congress must act and act promptly if we are to effectively carry out the sound National policy that first, the United States must never become dependent upon unreliable foreign sources for its oil; secondly, that we must not waste our irreplaceable God-given natural resources simply because of the temporary flush foreign production that is available.

ANALYSIS OF MINERAL RESOURCES SECURITY ACT OF 1958

BASIC PURPOSE

The basic purpose of this bill is to provide for the national security insofar as mineral resources are concerned. The bill is, therefore, entitled "Mineral Resources Security Act of 1958." The bill would serve the national security by the Congress taking action with respect to individual defense minerals as will assure the availability of such essential materials in time of need.

The bill would amend the existing defense amendment (19 U. S. C., sec. 1352a). The defense amendment was first enacted in 1954 and further amended in 1955. Its sole purpose is to make sure that excessive imports will not impair or threaten the national security. The present law delegates to the President broad authority to take whatever action he deems necessary whenever he finds that the national security is endangered.

The bill would implement the present law by establishing legislative findings as to the level of imports that constitutes a threat to the national security in regard to two commodities, namely: (1) Fluorspar and (2) petroleum.

It is anticipated that as Congress determines the essentiality of other mineral resources and the level at which imports must be held in order to protect the national security, such resources would be included in this provision of the law.

TREATMENT OF PETROLEUM

With respect to petroleum, the bill would provide that imports for consumption of both crude oil and all petroleum products, in excess of the ratio in 1954 between such imports and domestic production, are determined by Congress to endanger the national security. The President is directed to limit such imports to or below such ratios.

LEGISLATIVE GUIDELINES FOR ADMINISTRATION OF PETROLEUM LIMITATION

The bill would establish specific and definite guidelines to be followed in the administration of the quota limitation on petroleum imports.

First, it would provide that the President may, if he deemed it advisable or necessary in the interest of national security, allocate the quota among the countries or areas which are the source of imports.

Second, it would provide that the quota be put up for bid. Each person desiring to import would bid for a license to import. These licenses would be awarded, subject to approval by the President, on the basis of the highest bids. Licenses could be awarded annually, semiannually or more often, at the determination and discretion of the President.

The licensing procedure would function as follows.

Prior to the beginning of each calendar year, the President would request the Bureau of Mines to forecast the daily average domestic petroleum production during the next calendar year. This would have to be done sufficiently early to permit bids to be awarded and to provide licensees with sufficient time in which to make arrangements for importing petroleum during the next calendar year. By applying the 1954 ratio between imports and domestic production to the forecasted production for the ensuing calendar year, an initial quota for the year is determined. This quota may be adjusted for each quarter of the year so as to take into account seasonal variations in domestic consumption. This is necessary to recognize the rather wide seasonal variations in imports of products such as residual fuel oil. To avoid disruption of normal industry practices geared to this seasonal fluctuation, it is necessary to consider these seasonal factors.

Upon determination of the quota as outlined above for the ensuing calendar year, the President would be required to give public notice of the quota so established and to request bids for licenses to import during the calendar year. Licenses to import would be awarded on the basis of the highest bid, subject to the approval of the President. The highest bid is to have priority unless for some overriding reason the President finds that a license should not be awarded to the highest bidder.

If during any calendar quarter domestic production is above or below the forecasted production, imports for the following quarter shall be adjusted commensurately. In other words, if actual production during a quarter is 10 percent above or below forecasted production, the quota for the next quarter would be increased or decreased by 10 percent provided that in no event could imports exceed the 1954 ratio.

Such quarterly adjustments are necessary in order to minimize the adverse effects of imports upon the conservation programs of the oil-producing States. Whenever the conservation programs require cutbacks in domestic production, similar cutbacks should be made, as soon as possible, in imports of foreign oil. Equity requires that such periodic adjustments be made. In addition, the administrative problems faced by the State conservation agencies will be aided under such a program. The necessity for such periodic adjustments is emphatically demonstrated by the fact that in the State of Texas the allowable producing days has been continuously cut back to a current low of 8 days per month. Under any program to limit imports, similar cutbacks in imports should be made periodically whenever domestic production is reduced.

The bill also provides that the President may, if he deems it advisable, allocate the quota determined for each calendar year among the countries or areas which are the source of imports. This discretionary authority is given the President in the interest of national security. If the President determines that allocation of the quota on a country or area basis is necessary in the interest of national security, this provision of the bill delegates to him unrestricted authority to do so.

This licensing procedure provides a method of administration which eliminates the danger of Federal governmental control of domestic industry activities. This licensing system would automatically allocate the quota to individual companies according to their bids which in turn would be based upon the economics involved. This automatic method of administration is far superior to any method of administation which involves undefined administrative discretion to allocate the quota to individual companies based upon a myriad of unnamed and unknown considerations which may be changed from time to time and may not be known in advance by all parties concerned.

The awarding of the licenses on a bid basis would tend to eliminate the economic advantage enjoyed by foreign oil. It should function in the direction of placing each barrel of imported oil on a competitive equality with domestic-produced oil.

The awarding of the quota on a bid basis would also provide a substantial source of revenue to the Federal Government.

EFFECT OF THE BILL ON PETROLEUM IMPORTS

If this bill had been in effect during 1957, the effect on petroleum imports, both crude oil and products, would have been as follows:

	Barrels daily
(a) Domestic crude oil production in 1957	7,175,000
(b) Total imports permitted under 1954 ratio (16.6 percent)	1,191,000
(c) Actual total imports during 1957	1,545,000
(d) Reduction that would have been brought about under this bill	354,000

The effect of the bill upon imports of crude oil alone would have been as follows:

	Barrels daily
(a) Domestic crude oil production in 1957	7,175,000
(b) Total imports of crude oil permitted under 1954 ratio (10.3 percent)	739,000
(c) Actual crude oil imports in 1957	997,000
(d) Reduction that would have been brought about under this bill	258,000

The effect of the bill upon imports of petroleum products, including residual fuel oil and all other products, would have been as follows:

	Barrels daily
(a) Domestic crude oil production in 1957	7,175,000
(b) Total imports of products permitted under the 1954 ratio (6.3 percent)	452,000
(c) Actual imports of all petroleum products in 1957	537,000
(d) Reduction of imports of all petroleum products	96,000

TREATMENT OF FLUORSPAR UNDER THE BILL

There are two principal commercial grades of fluorspar, namely, metallurgical grade fluorspar and acid grade fluorspar. With respect to metallurgical grade fluorspar, the bill, if enacted, would constitute a legislative finding that imports for consumption in excess of the ratio in the year 1954 between imports and domestic production are deemed to endanger the national security. The President is directed to limit imports to or below such ratio.

With respect to acid grade fluorspar, the bill would establish the 1951 ratio as the standard for limiting such imports.

The bill does not provide any detailed direction as to the manner of administration of the fluorspar quotas, leaving to the discretion of the President such matters as the allocation of the quota among countries of origin and individual importers.

EFFECTS OF THE BILL ON FLUORSPAR IMPORTS

If this bill had been in effect during 1957, the effect on metallurgical grade fluorspar would have been as follows:

	Short tons
(a) Imports for consumption in 1954 (base year)	87,545
(b) Domestic production 1954	84,483
(c) Relationship of imports to production—percent	103.6
(d) Domestic production in 1957	112,980
(e) Imports for consumption permitted under this bill	117,047
(f) Imports for consumption in 1957	211,020
(g) No imports for stockpile in 1957.	
(h) Imports for Government stockpile, no limit.	

The effect on acid grade fluorspar would have been as follows:

	Short tons
(a) Imports for consumption in 1951 (base year)	52,991
(b) Domestic production in 1951	123,125
(c) Relationship of imports to production—percent	43
(d) Domestic production in 1957	192,672
(e) Imports for consumption permitted under this bill	82,849
(f) Imports for consumption in 1957, not available.	
(g) Imports for consumption and stockpile in 1957	418,380
(h) Imports for Government stockpile, no limit.	

ESCAPE CLAUSE

The bill contains an escape clause which authorizes the President, during any period in which he finds that supplies of fluorspar or petroleum, or directly competitive articles, are inadequate to meet current domestic demand to suspend the quota limitations provided by the bill.

The bill, therefore, contains a flexibility that assures the consumers of the United States that they will not be faced with a domestic shortage and at the same time a limitation upon imports into the United States.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Mr. Speaker, the national need of the petroleum and coal industries for legislation such as the measure as that proposed by the gentleman from Texas is underscored by the executive department's failure last week to reduce residual oil imports, whatever its reasons may be for not having done so.

My remarks are not made in a critical spirit, but rather in sorrow and regret that the Office of Defense Mobilization and the President's Special Committee to Investigate Crude Oil Imports, apparently acted without being in possession of the facts about bituminous coal production this year.

Understandably, the executive agencies are not in a position to hear and read all of the labor and management complaints of hardship that a Member receives via telephone and mail, but bituminous coal industry production statistics are available to them from the Interior Department Bureau of Mines.

Bituminous coal-industry production is down 22 percent this year, so far, in comparison with last year at the same time. Now, it appears that bituminous-coal production will be less than 400 million tons in 1958, whereas production was 490 million tons last year, and 500 million tons in 1956.

There are figures available to show definite economic hardship and a threat to national security in what has been going on in Nation's soft-coal fields since the nationwide economic slide became pronounced in December.

Compared to the same week a year ago the following figures show an ominous week by week decline in bituminous-coal production since January, severely aggravated by the probability that unchecked residual oil imports in 1958 probably will approach 40 to 50 million tons of coal equivalent:

Week ended January 4, production off 430,000 tons.

Week ended January 11, production off 1,555,000 tons.

Week ended January 18, production off 1,475,000 tons.

Week ended January 25, production off 1,870,000 tons.

Week ended February 1, production off 645,000 tons.

Week ended February 8, production off 2,260,000 tons.

Week ended Freburary 15, production off 1,780,000 tons.

Week ended February 22, production off 3,055,000 tons.

Week ended March 1, production off 1,215,000 tons.

Week ended March 8, production off 1,599,000 tons.

Week ended March 15, production off 2,675,000 tons.

Week ended March 22, production off 2,970,000 tons.

Bituminous coal production January 1 through March 22, 1958, was approximately 90,971,000 tons; the revised production January 1 through March 23, 1957, was 116,342,000 tons.

So, gentlemen, you can see plainly that there is decline this year in bituminous coal production of more than 25 million tons, and no one knows just how far down the production decline will go, nor when it will stop.

I cannot say whether the President's Special Committee or the ODM was in possession of these facts when the committee submitted recommendations for the voluntary reduction of crude oil imports in the interests of national security. Such facts were available to the Government even if not considered.

The language of the special committee's report casts a doubt that the Government at the highest level was aware that there exists a most serious decline in bituminous coal production, although if the committee's words are taken at their face value, a contrary opinion can be reached.

The President's Committee said:

At the request of the committee, the Director of the Office of Defense Mobilization has investigated the impact of distilled products on the voluntary program.

In response, the Director has stated that his investigation has led him to the conclusion that the importation of distilled products has not been a threat to the voluntary program. All categories of distilled products were examined, including residual fuel oil, and the study revealed that in 1957 the imports of principal competitive items, other than residual fuel oil, had actually declined substantially below 1954.

Then in a footnote, the Committee said:

While residual fuel oil is outside the purview of this Committee, the review by the Director of the Office of Defense Mobilization indicated no basis for determination that imports of residual oil are a threat to the national security under section 7 of the Trade Agreements Act.

In fairness, one must conclude that ODM must not have realized the 1958 impact of residual oil on declining bituminous coal production, and that somehow the 1958 bituminous coal production statistics must have eluded the writer of the President's Special Committee report.

It is known that ODM in 1957 said it could not find a danger to national security in residual oil imports on the grounds that bituminous coal production was running at a rate last summer which suggested that final production would be in excess of 500 million tons. As previously stated, 1957 production wound up at 490 million tons.

But a recession intervened which changed production expectations in the last quarter of 1957, and produced the 1958 production results already related.

Perhaps the President's Special Committee does not have jurisdiction over residual oil, although in its report it said that it carefully reviewed prior distilled petroleum products imports, and tried to assess the import probabilities of distilled products for the remainder of this year.

However, it is clear that ODM has both jurisdiction and responsibility under the Trade Agreements Act to consider the effect of residual oil imports on national security, and presumably to reduce those imports whenever their ratio goes above the 1954 rate.

Passage of the gentleman's bill to establish mandatory maintenance of 1954 ratios of crude oil, distilled petroleum products, and residual oil, hopefully, will correct ODM's apparent neglect of the bituminous coal industry.

I call attention to the report of the Presidential Advisory Committee on Energy Supplies issued February 26, 1955, which a study of the legislative intent of the Trade Agreements Act will reveal as having been a part of the considerations of Congress in passing that statute. Indeed, this Committee's recommendations were the basic philosophy underlying section 7 of the act having to do with national security aspects of fuels policy.

The Energy Supplies and Resources Committee had to take into account among other things, the defense needs which obviously would vary from time to time, as well as minimum peacetime requirements of fuel which would permit under many circumstances the prosecution of a successful war.

Dr. C. J. Potter, who is president of the Rochester & Pittsburgh Coal Co. and was a member of the 1954–55 Energy Supplies and Resources Committee, testified before the Ways and Means Committee on March 4.

Dr. Potter said:

It was quickly recognized by the Energy Supplies and Resources Committee that whenever coal production dropped somewhat below a minimum of 500 million tons per year, the coal industry itself would be in trouble, and the fuel requirements of the Nation would be in jeopardy. It was determined, therefore, that a solution must be found to stabilize the coal industry's output in an endeavor to prevent this from happening.

On this point, the Energy Supplies and Resources Committee said:

The Committee believes that if the imports of crude and residual oils should exceed significantly the respective proportions that these imports of oils bore to the production of domestic crude oil in 1954, the domestic fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies that are necessary to the national defense.

The Committee recommends, however, that if in the future the imports of crude oil and residual fuel oils exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, appropriate action should be taken.

The Committee recommends further that the desirable proportionate relationships between imports and domestic production be reviewed from time to time in the light of industrial expansion and changing economic and national defense requirements.

In arriving at these conclusions and recommendations, the Committee has taken into consideration the importance to the economies of friendly countries of their oil exports to the United States as well as the importance to the United States of the accessibility of foreign oil supplies both in peace and war.

In 1954, there were imported into the United States approximately 129 million barrels of residual oil. Official United States statistics show that in 1957 there were imported approximately 150 million barrels of residual.

Without going into the details of the pricing history of residual oil, it suffices to say it is always priced at about $1 per equivalent ton less than coal at east coast ports. As stated previously, residual oil imports this year, if not reduced, will equal 40 to 50 million tons of coal. In 1958, with bituminous coal production headed for a windup a bit less than 400 million tons, it is no wonder to me that mineworkers and mineowners alike are seriously concerned about their economic fate. I am personally concerned about ODM's lack of care about the national security aspects of a deluge of residual oil imports into the United States.

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield

Mr. BRAY. Mr. Speaker, I want to congratulate the gentleman from Texas [Mr. IKARD], for bringing this important matter to the attention of this body and I am happy to support his bill for I believe something positive must be done concerning the problem of importation of petroleum products. We have had a so-called voluntary program, but it has not been successful even in accomplishing the limited goals it established. With three large importers turning their backs on the program and not accepting the voluntary quotas, we have a program which is certainly unfair to those importers who have complied with the quotas. Even with full compliance, the effectiveness of the voluntary program would be questionable and legislation to provide a definite policy fair to all is far more desirable.

In the past I have joined in the support of legislation to limit the importation of residual fuel oils. That legislation never approved, would be a part of a comprehensive plan such as is now proposed. The Special Committee to Investigate Crude Oil Imports, in its supplementary report of March 24, 1958, notes that the imports in 1957 of distilled petroleum products had declined since 1954, except in the case of residual fuel oil. The need for limitation in this field continues to be great.

Particularly at this time, we want to stimulate American industry and business. Reasonable protection for our domestic petroleum producers is logical and justified. That is the purpose of this legislation, and legislation is needed to do the job adequately. I hope we will be able to bring this measure to the floor quickly for consideration of this body. Residual fuel oil imports are not only unfair competition to our domestic petroleum industry, but they have caused serious peril to our coal industry, which is so vital to America in peace or

war. Our coal reserves and miners are one of the greatest bulwarks to our defense. In the long range they are essential to the development of our economy in peace. The importance of our coal industry has been overlooked to often in the past, and it must not be disregarded in the future.

Mr. YOUNG. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield.

Mr. YOUNG. Mr. Speaker, I, too, want to associate myself with the excellent remarks of my distinguished colleague, the gentleman from Texas. I would like to make this observation, that we do not have to go back many years to remember the bitter struggles, both in and out of the courts, whereby the present conservation system and programs throughout the various States were established. It seems to me there is no question but what if this flood of foreign oil is permitted to continue to come into this country that the proration controls that these conservation systems have set up will be absolutely futile and that we will see the rapid distintegration of our domestic petroleum industry and we will see the further dependence of this Nation upon foreign oil for its security.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield.

Mr. FLOOD. Mr. Speaker, I want to congratulate my friend the gentleman from Texas for the analysis that he has made of an extremely difficult and very old problem. The gentleman who spoke just a minute ago, I am sure, meant nothing personal when he spoke of a "flood" of oil coming into the United States. I am sure he will correct the RECORD in some way to make it clear that I have no part of that transaction. I am sure my friend from Texas will lend the great ability that he has and his influence with his friends in the domestic and independent oil-producing States to include the phrase "residual fuel oils" along with crude oils. We have strange bedfellows in this Hall upon occasion, and to find coal men joining forces and manning the barricades with the oilmen is a commendable and desirable thing when we face such an insidious common enemy.

Mr. THORNBERRY. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield.

Mr. THORNBERRY. Mr. Speaker, I want to express my appreciation to my colleague from Texas for his excellent discussion of conditions which face the domestic oil industry at the present time.

Mr. JARMAN. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield.

Mr. JARMAN. Mr. Speaker, I want to compliment the gentleman from Texas for his splendid presentation of a problem of the gravest importance to all oil producing States and to this Nation, so dependent upon petroleum for its energy requirements. The gentleman from Texas, as a member of the House Ways and Means Committee, has been in an excellent position to evaluate the effect of excessive imports upon the domestic industry.

The security of this country requires a healthy oil industry with adequate reserves to defend itself without depending on foreign oil. The Suez conflict demonstrated how quickly we can be cut off from foreign oil in time of war. One of the worst fates that could befall the United States defensively would be to become dependent on foreign oil for future emergencies. Yet that is what is sure to happen if the incentive to find new reserves in this country is destroyed by lack of markets in time of peace.

The utter failure of the voluntary program to curb importation has emphasized the need for this Congress to spell out in terms incapable of misinterpretation the policy of this Nation concerning the level of imports to domestic production.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield.

Mr. EDMONDSON. Mr. Speaker, I want to express my personal appreciation to the gentleman for his fine presentation of this problem on the floor of the House today, and also for the sympathetic consideration he has given to the problems of the mineral- and oil-producing States as a member of the Committee on Ways and Means.

The Oklahoma Corporation Commission is one of those State commissions which reduced crude runs by a substantial amount, by 45,000 barrels per day in the month of March; and all wells in our State, regardless of their character, are being restricted to producing only 89 percent of the amount of oil that they produced in January. This is the first time in the history of the Oklahoma conservation program that our waterflood projects are being prorated. That is happening in the State of Oklahoma; and, to get some idea of the effect of it on the State of Oklahoma, you need only to look at the figures. Sixty-seven of the seventy-seven counties in the State of Oklahoma produce oil. Over 70,000 people are directly employed in Oklahoma's oil industry. They receive over $300 million in salaries and wages each year. We have a tremendous dependence upon taxes from the petroleum industry both in our State government and in our local governments. The impact of the slowdown that is taking place in our oil industry is being felt in communities all over the State of Oklahoma. Unemployment is increasing every month. Some of our larger companies have reduced their workweek to 35 hours in addition to a reduction in personnel. That is the picture confronting us at the present time—a picture which I feel sure will continue to get worse unless this Congress recognizes its responsibility in the field of checking this menace to domestic industry.

I thank the gentleman for yielding.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield.

Mr. NEAL. Mr. Speaker, I remember the recent declaration of the executive department which failed to recognize the fact that imported crude oil is coming in large quantities and failed to make any effort whatsoever to limit the importation of crude oil. I wonder if the importation of crude oil coming into this country, not being reduced, leaving quite a lot of residual oil, does not further complicate the oversupply of residual oil coming into this country now as a competitor of coal. As the gentleman from Pennsylvania just stated, I, too, represent one of the greatest coal-producing sections of the State, and we are continually having to guard against the substitute fuels that put out of commission the operators of our successful mines as well as the miners who do the work. It has resulted in quite a disturbance to the whole economy of the State of West Virginia, and I thank the gentleman very much for bringing this matter to the attention of the House.

Mr. IKARD. I thank the gentleman.

Mr. BURLESON. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield.

Mr. BURLESON. Mr. Speaker, my able colleague has made a most statesmanlike address. I commend him for his diligence in seeking an answer to a most urgent and pressing problem facing the independent oil producers.

Historically, our part of the country has been an ardent supporter of the proposition of free world trade, consistent with the interest of domestic enterprise. I am sure we wish to continue that support. I am sure we shall do so if these safeguards described in the gentleman's proposal are adopted by the Ways and Means Committee on which he serves.

It is now obvious that the administration is not going to impose effective controls under its authority contained in section 7 of the Reciprocal Trade Agreements Act. It has not acted in this emergency in which the independant oil industry finds itself and there is not evidence that it will do so. If the President's action of a few days ago is intended to gain support for the reciprocal trade bill soon to be before us, it is far from adequate for the purpose.

As much as we may otherwise wish, voluntary control of foreign oil imports have not worked. There is no reason to believe that the platitudinous order of the President will be sufficient to cure this situation which is having absolutely distressing affects on the independent oil producer, and the industry which is so vital to a healthy defense posture for our Nation.

Again Mr. Speaker, I commend my colleague, the gentleman from Texas [Mr. IKARD] and pledge my most vigorous efforts to convince the Members of this House of the necessity for early action on his proposal.

Mr. IKARD. I thank the gentleman.

Mr. KILGORE. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield.

Mr. KILGORE. I would like to express my appreciation and congratulations to the gentleman for his very able presentation of this matter, and for the introduction by him of legislation which will seek to achieve some solution to it.

I think the gentleman's remarks were particularly well stated when he indi-

cated that this is a matter which has been a problem of long standing but which has become so acute of late that it constitutes a threat to the extension of what is a necessary trade program on the part of this country. We have arrived at a time when if we are to maintain our international trade program we must recognize that this level of importation of foreign oil constitutes such a severe threat that it must be dealt with in the proper way that we may then continue the trade program.

I think the gentleman's remarks are well taken, and his legislation is exceedingly desired.

Mr. IKARD. I thank the gentleman.

Mr. Speaker, I yield back the remainder of my time.

THE EAST FRONT OF THE CAPITOL

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 60 minutes.

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and include related matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, for sometime now there has been a great deal of discussion in the newspapers, on the radio and television and in many other areas about the proposed Capitol extension project. Sincere and devoted people have shown understandable concern on both sides of this issue.

Mr. Speaker, no one can live in Washington or be a Member of Congress and not have strong sentiments about the importance of our Capitol and the rich heritage and significant history of representative government it represents. Since I have been here, and because of my special interest in history, it has been an unusual and great pleasure and thrilling experience to explore and study the rich history of this the world's greatest and finest symbol of freedom and liberty—our Capitol. The Capitol of these United States. So, when this discussion of the Capitol extension project started. I had more than a casual interest in it. And like so many, I responded to the strong sentiment that is evident in so many places against extension. So strong, in fact, that I introduced H. R. 9510, which had as its purpose to amend the Legislative Appropriation Act of 1956, to eliminate the requirement that the extension, reconstruction, and replacement of the central portion of the United States Capitol be in substantial accord with scheme B of the architectural plan of March 3, 1905, hoping thereby not to block any plans to restore badly deteriorated sections of the front, but to force further consideration and allow more hearings so that this project could be better understood by more people.

Mr. Speaker, to fortify my position on H. R. 9510, I made it my business to make a personal investigation and do some research so that I would be better able to present the case of the objectives of my bill.

To satisfy myself about the physical condition of the east front, I toured that section of the Capitol to be affected by this proposed extension and visited every area to make a personal inspection inside and out, including the inspection of the skirt area of the dome directly above the portico adjacent to the roof of the old House and Senate sections. Then I began to do some research on the history of the Capitol, which had to do with its building and expansion in various stages and times of our history and a special study of the changes made from the time the first building was completed in 1800 to the time that the extensions were added in 1858 and 1859.

Based upon this personal inspection and after several weeks of research, Mr. Speaker, I have concluded that the objectives of my bill are wrong and I now shall present the case to indicate the urgency and need of immediate consideration and immediate action on legislation that was passed by the House in 1955.

Feeling that there is much need for a sense of urgency of this subject, I take this time today to discuss this subject. It is my feeling that there is a lot of misunderstanding of the effect that this legislation will have on the appearance of the Capitol. Some believe that it is too costly and others believe that certain historical sections will be eliminated rather than preserved. Then, there is the natural resistance again a change of any part of the Capitol. Then it is my feeling we should realize that while this great Capitol is not only a great symbol of liberty and freedom, it is also a place where work must be done to preserve the symbols of freedom that its stands for.

It has been a real thrill to read and study the history of this great Capitol. Last year I took the floor and pointed out that if we were in session on the 16th of December in 1957 we would be in session on the 100th anniversary of the first meeting in this section of the Capitol. In that dissertation I reviewed some of the significant things that have happened here and in our country during that 100 years of history and how Congress has influenced the destiny of our Nation.

Mr. Speaker, it is a thrill to note that my investigation indicates that this Chamber in which we meet today has served as a rostrum for more political leaders, heads of great nations, and distinguished visitors, foreign and domestic, throughout history than have spoken in any other capitol in the world. This is a tribute to our generosity and greatheartedness as hosts and a tribute to those who want to come here to visit and study our system so that other people of the world might benefit from our long and successful experience in representative government. The world and freedom-loving people have been the beneficiary.

COMMENT ON RESISTANCE TO CHANGE

Mr. Speaker, through the years our Capitol has seen many changes and as we looked back on this glorious history, we would not have wanted to be a part, I am sure, of resisting any of the great and noble things that happened here, nor the changes that have been made with the exception, of course, of the burning of the Capitol by a foreign power and its brief surrender to that foreign power.

Let me now recite some of the changes that have taken place. The Capitol once had an iron fence completely around it. It has been removed. Artificial lighting was once oil and candle and then they changed to gas light and then to the electric light. The discussions in Congress regarding the change from gas to electricity is indeed interesting and it was difficult, it seems, but the changes were made. There has been a complete change in the ventilating system from one of practically no ventilation to a crude system of pumping so-called purified air into the chambers to the present fine air-conditioning system. There has been a complete change in the heating system from that of heating by fireplaces found all over this Capitol to the present steam-heating system from a central plant. As the automotive era came on, we found we did not need the hitching posts. They were removed. Once the flag flew from the top of the Statue of Freedom above the Capitol. There were certain hazards to this so we changed the place for the flag to fly over the Capitol, and now we have the flags flying constantly on the east and west sides of the dome and flags flying over the House and Senate when they are in session.

During the Civil War, the Capitol facilities adapted itself to the immediate and urgent needs. In the early part of the war, there were inadequate hospital facilities in the area and so the Quartermaster General Meigs, with President Lincoln's approval ordered 1,500 beds put in the Capitol building. The record shows there were many beds taking care of the sick and wounded right in this room. The soldiers had to be fed, so they set up a complete kitchen in the Old House section. As a part of that kitchen, huge ovens were installed and thousands of loaves of bread were made there to feed to the soldiers.

Part of the Capitol was given over for security cells as a prison to hold war criminals and especially spies. Great sections of it were used as an arsenal to store ammunition, guns, and other war supplies. The Capitol once housed the Library of Congress, and of course, everybody knows that it once housed the Supreme Court. At one time, all of the committees had to meet in the Capitol and there were 77 different committee rooms—51 in the basement, 8 on the House floor, and 18 in the so-called attic level.

So there has been changes in our Capitol before and there were those who appeared to have resisted change and alterations, but always after thorough discussion and investigation, changes were made and almost always they were for the better.

Mr. Speaker, the local Evening Star has been writing a series of articles that have been very enlightening and informative. On March 27 an article appeared in their paper that touches on the change point of view and also touches on various other aspects of the

extensions that I think would be very worthwhile and enlightening and I would like at this time to ask unanimous consent that it be placed in the RECORD at this point, as follows:

SENSE OR SENTIMENT?—GAIN, NOT LOSS, SEEN IN CAPITOL EXTENSION

(By George Beveridge)

(This is the fifth of a series of articles attempting to set the record straight on plans to extend the east front of the Capitol. The sixth article appears tomorrow.)

In the well-organized opposition campaign to extending the Capitol's east front, critics hurl bitter charges of vandalism, mutilation and desecrations. Behind these epithets are two main arguments.

First, deeply rooted in sentiment, is the desire to preserve—as an exterior wall—the very stones and columns that were built to carry out the designs of the Capitol's early architects, Thornton, Latrobe and Bulfinch. As the National Trust for Historic Preservation puts it: "The surviving, original facade that epitomizes our earliest ambitions."

The second argument is more technical. It it cited mainly by architects. They say an extension of the east front 32½ feet forward would wreck the historic court between the House and Senate wings, and would cut off a view of most of the Capitol dome from a position in the court near the front.

In describing these changes, some critics get reckless with the facts. Pictures and drawings published by some newspapers, for example, indicate the front would be moved out as far as the two wings—twice as far as really is proposed. Some say the present sandstone front would be torn down and gouged out. Ralph Walker, a former American Institute of Architects president, refers to the front being moved out 40 feet or more.

These things are not true, and they are sore points with associate architects who have been working 2 years to learn the facts and plan the extension.

Many of the critics, however, have not distorted the facts, but have honest, emotional convictions that a precious piece of history is being lost.

To them, the Capitol architects point out that change is not new to the Capitol, that the real history of the Capitol is one of constant change, dictated partly by increased needs for space and partly by the desire to make the Capitol as architecturally perfect as possible. And they say the present extension proposal has precisely those same aims.

In the process of past changes they say, a number of the basic features of the original Capitol designs have been altered and abandoned.

The series of pictures accompanying this article show what they mean.

The original design of William Thornton, accepted by President George Washington as the Capitol pattern in the 1790's had a small dome, a modest eight-columned portico and a flush, ground-level portico entrance.

By 1800 the north half of the Capitol was occupied and the House side was rising. Under the direction of Benjamin Latrobe (Architect of the Capitol 1800–1811), a number of minor changes were made in the Thornton design, but for the most part it was a faithful reproduction. After the British burned the Capitol in 1814, reconstruction also largely followed the old pattern.

When Latrobe turned to the design of central portico, however, he deviated sharply from Thornton. By 1840 the result was a considerably modified Capitol, as designed by Latrobe and supervised by Charles Bulfinch (1815–29).

PORTICO DOUBLED

The portico, for example, was doubled in size and given 16 columns. The dome was changed somewhat, and small domes were added on each side. Steps, unplanned by Thornton, added to the monumental beauty.

The real change, however, was made by Architect Thomas U. Walter between 1851 and 1865, when the demands for space required construction of the House and Senate wings. But the wings, Mr. Walter noted, completely overpowered the tiny dome of Thornton as modified by Latrobe and Bulfinch, and he replaced it with the massive cast iron dome which gives the Capitol its present appearance.

Just as Mr. Walter saw that the old dome was architecturally wrong, however, he saw that the big new dome violated architectural principles of balance by appearing to overhang the front. While the dome itself rests solidly on the main building, the dome's lower columns and painted iron "skirt" actually extend out over the portico roof and the "skirt" is supported by the roof. The Capitol's west front, meanwhile, extends far beyond the dome on the other side, increasing the appearance of imbalance. While he never argued that there was danger the dome might fall, it looks as if it might. And that, Mr. Walter said, is wrong.

EXTENSION PROPOSED

To correct the error, Mr. Walter proposed extending the east front, and every Capitol architect since has followed suit. Except for economy measures during the Civil War, the extension may well have been carried out in the 1860's. But it wasn't. And by the turn of the century, it was steeped in controversy.

As late as 1915, however, the east front's massive standstone steps were removed and replaced with granite steps.

The architects who favor the extension today say that the east front change is far less drastic than the major Capitol changes of the past. In fact, they say, the new front is hardly a change at all, but would reproduced the old in every detail.

They say it is their professional judgment as architects—some other architects disagree—that the change would be evident to no one but experts.

The proponents recognize that these arguments are not a total answer to those who want to preserve the old front. These people, largely for reasons of sentiment, want to be able to see, with their own eyes, the very stones that were laid under the direction of Latrobe and Bulfinch.

ANSWERS GIVEN

What are the answers to this desire? The Capitol's associate architects cite these:

"Deterioration already is eating away details of the work of the early architects. If nothing is done to the front, this will continue. And if the front is refaced at its present location, the old stone will be gone as completely as with the extension.

An exact reproduction of the front in marble actually will restore the visual detail of the early ornamental sculpture, much of which now is dulled and hidden under numerous coats of paint.

A good bit of the present front would be retained as an interior wall of the extended portion. The portico, and possibly the balustrade at the top of the front, would have to come down, but most of the wall would be retained and visible, not gouged out, torn down, or thrown away. Possibly, officials say, the portico might be reerected in a museum for preservation.

What about the chances that the court will be destroyed and the classic view of the dome eliminated?

Roscoe DeWitt, one of the Capitol's associate architects, said this question also seriously bothered several of his colleagues when studies of the extension began 2 years ago. "But the extension plans as developed," he said, "have wiped out these concerns."

"The two features which give the east front court its distinction," Mr. DeWitt says, "are the columned, recessed necks between the east front and the House and Senate wings, and the fact that the portico sits behind the front line of the wings."

Both these features will be preserved. New columns will stand in the recessed areas. And the bottom of the new portico steps would be 40 feet behind the steps of the wings.

"I think that if people could understand we propose to do these things, that much of the sting would be removed from the charges we're hearing," Mr. DeWitt said.

Extension opponents have made much of a report submitted last year by a top-level panel of the Capitol consultants, which said the House and Senate wings also eventually should be moved out 32½ feet, eventually restoring the same relations that exist between the center and the wings today. In citing this, however, opponents do not stress the word "eventually," and do not mention that the consultants have approved the central extension now.

VIEWPOINT IN 1904

Dipping 54 years into history, opponents also challenge assertions that Carrere & Hastings, a distinguished architectural team which studied extension proposals in 1904, really favored a 32½-foot extension. Opponents quote one Sarrere-Hastings report which says the front should be moved no more than 12½ feet. Proponents, however, cite another which calls the 32½-foot extension an "excellent second-best plan."

A number of opponents want to "preserve" the front as the "scene of the inauguration of every President since John Quincy Adams." It's a small point, but for the record there have been eight Presidents since Adams who were not inaugurated at the east front.

What about the view of the dome?

From the bottom of the portico steps today a visitor who looks straight up can see nearly all the dome. It is true, as critics claim, that the visitor who looks up from the extended steps would see far less, because the top of the portico would block part of the dome.

The architects have computed that precisely the same view could be seen after the extension, however, from a point only 55 feet away from the new steps—at the near edge of the main parking area on the plaza. It is from this distance, or considerably farther away, that most pictures of the east front are taken, even now, because very close views appear distorted.

But no amount of talking will end the controversy over the appearance of the dome. Architects have argued it for over half a century and—extension or not—it is not likely they will stop. Here are a few examples:

Mr. DeWitt: "The overhang of the dome is a very real defect, and the need for its correction cannot be stressed too strongly. To the west * * * there is a great mass of building; to the east, nothing, so that the dome appears to teeter on the edge. This is bad architecture."

Lorimer Rich, New York architect: "We have here one of the most satisfying architectural compositions in the world. You get a feeling here which is unusual and unique that you get with no other dome structure in the world."

John Russell Pope, architect (in House hearings, 1935): "I think the criticism (of the dome overhang) is very well justified, because the dome comes down on the central motive, which is the principal motive of the facade, in such a way as to crush it, and, therefore, to reduce its importance as the entrance to that building."

Leicester B. Holland, former director of fine arts, Library of Congress (in Senate hearings, 1937): "The dome gives the impression of springing not from the roof of the building but from the ground itself * * * it is really a very masterful composition."

Extensive testimony on the east-front issue was held in both 1935 and 1937. Both years, the Senate passed legislation authorizing the extension, but the House killed it.

In reply to charges that the present extension legislation was pushed through in secrecy, without public hearings, Architect of the Capitol J. George Stewart cites the old hearings, and says their records have been made fully available to Congress. He says, also, that little has been added to the old controversy over the years that would throw new light on the issue.

Indeed, part of a summation of the public hearings given by Architect of the Capitol David Lynn in 1935 could serve almost equally as well for the hearings held a month ago in the Senate.

CITES OBJECTIONS

"Within the past few weeks," Mr. Lynn said in 1935, "opposition has been voiced to the proposed change on the grounds: first, that it would destroy the historic character of the building by replacing original work with a copy; second, that the building is already a beautiful one and that the change would injure its architectural appearance * * *. These objections may be answered as follows:

"The oldest portions of the building are not now 'original' work in the sense in which the term is used by archeologists. It is already in large part to copy. To reproduce the original design in marble would preserve all that is valuable in historic and sentimental associations and would give the building a longer and more useful life.

"The question of the relative architectural merit of the building as it stands now and the building as it would appear if the front were extended is one in which the mass of expert testimony is in favor of the change. The architects who testified in favor of it are men of high standing in their profession. Most of them are accustomed to designing large buildings, and are giving their opinions as a result of real knowledge and study instead of a perfunctory examination of the building and a superficial knowledge."

The pictures, of course, will not be placed in the RECORD, but I would like to call this article to the attention of the Members who may enjoy seeing the series of pictures on how our Capitol looked before and after the changes were made on the building structure itself. They are indeed interesting.

Here is, in my opinion, abundant evidence that the past changes have been good.

Now, Mr. Speaker, one of the principal reasons for changing my position on this matter is because my inspection indicated the urgency of this project and so at this time I would like very briefly to call attention and to review for you what I saw in my inspection tour. They will include a diagram showing the location of the cracks in the stone work on the east front, both on the exterior and interior walls, indicating that there has been a great deal of deterioration of the wall structure and indicating also that foundations in that section that we proposed to extend are not adequate at the present time. In addition, I will show pictures of the deterioration of the outer section of the Capitol as well, and after I have finished my presentation I propose to set these up in the Speaker's lobby where each Member may inspect these pictures personally. Then, I should like to invite all the Members to take a tour of the Capitol in the areas I have mentioned earlier to verify my statements and personally inspect the pictures I shall place in the Speaker's lobby for inspection.

I should like to call particular attention, Mr. Speaker, to the picture of the Capitol showing the bulge in the wall on the Senate side. Then, I should like to suggest that each Member who has an interest in this matter to avail himself to the studies that have been made by the Architect's Office, and pay particular attention to their studies which have to do with the type of stone that was used for the building of the original Capitol as compared to the type of stone that was used in the Capitol extension 100 years ago.

Mr. Speaker, the conditions of the east front is in serious need of repair, and let me suggest that the need for immediate action is very evident. The project is one of some extensions for badly needed space; far more important, however, is the need for preservation of the Capitol in certain areas of the Capitol, especially the east front.

This in my opinion very briefly covers the recent history of the so-called extensions and the pertinent points raised on both sides of the issue that has developed largely because of misunderstanding.

Mr. Speaker, further to enlighten people who have an interest in this controversy, I am presenting herewith a statement of the pertinent facts concerning the recent history of the Capitol, together with pro and con arguments of what I believe to be the best authorities on each side:

(The matter referred to follows:)

BRIEF COMMENTS ON EXTENSION OF EAST FRONT OF THE UNITED STATES CAPITOL ON RECENT DEVELOPMENTS WITH PRO AND CON ARGUMENTS

Congress freely approved legislation for extension of the east front of the Capitol 3 years ago, and has voted appropriations for it on two occasions.

The Legislative Appropriation Act (H. R. 7117) for fiscal 1956 gave Congressional authority for extension. By voice vote both the House (July 1, 1955) and the Senate (July 29, 1955) passed that legislation. It was signed by President Eisenhower and became Public Law 242 on August 5, 1955, and $5 million for the extension was thereby provided. There was little Congressional discussion on the issue at that time. Public Law 242 committed the Architect of the Capitol to extend the east front "in substantial accordance with scheme B of the architectural plan submitted by a joint commission of Congress and reported to Congress on March 3, 1905 (H. Doc. No. 385, 58th Cong.)." Public Law 242 also designated who should serve on the Commission for the extension.

The urgent deficiency appropriation bill (H. R. 9063) for fiscal 1956 passed by Congress became Public Law 406, February 14, 1956. It made some slight amendments to the authority. Namely, money appropriated for the east-front extension would remain available until spent, and it authorized Congress to appropriate whatever additional money the Commission for Extension said was needed. This legislation passed the House and Senate with voice vote and with little discussion.

Public Law 624, signed by the President June 27, 1956, known as the Legislative Appropriation Act for fiscal 1957, authorized an additional $12 million for the extension. Again, there was little discussion about the project.

The first meeting of the Commission (House Speaker Sam Rayburn, Chairman; Vice President Richard M. Nixon; Senate Minority Leader William F. Knowland; House Minority Leader Joseph W. Martin, Jr.; and Architect of the Capitol J. George Stewart) occurred March 26, 1956. The Architect of the Capitol was directed to draw up preliminary plans and cost estimates for the extension. Architects Arthur Brown, Jr., of San Francisco, John F. Harbeson of Philadelphia, and Henry R. Shepley of Boston were appointed consultants to Mr. Stewart. In addition the Commission selected Roscoe DeWitt and Fred L. Hardison, of Dallas, Tex.; Alfred Easton Poor and Albert Homer Swanke, of New York; Jesse M. Shelton and Alan G. Stanford, of Atlanta, as associate engineers and architects for the extension.

On August 13, 1957, Representative HENRY S. REUSS, of Wisconsin, introduced H. R. 9238 to amend the fiscal 1956 Legislative Appropriation Act by striking out the reference to the 1905 plan. This bill and several others are pending before the House Public Works' Public Buildings and Grounds Subcommittee of the House of Representatives.

Similar legislation is pending before the Senate Public Works Committee.

On February 17, 1958, the Public Buildings and Grounds Subcommittee of the Senate Public Works Committee held hearings on S. 2883 which was sponsored by Senators SMITH and CASE, of New Jersey; Senator CLARK, of Pennsylvania, and Senator HUMPHREY, of Minnesota.

The subcommittee voted on March 5, 1958, to report S. 2883 to the full Senate committee. On March 6 the Senate Public Works Committee ordered S. 2883 reported (S. Rept. 1352, 85th Cong.). This bill would block plans to rebuild and extend the east front of the Capitol. The CONGRESSIONAL RECORD of March 10, 1958, states that Senate 2883 was reported.

The Senate, on March 11, 1958, in considering the second supplemental appropriation bill, rejected, on division vote, the Robertson amendment to suspend rule which would enable a proposed amendment to suspend activities on extension until the end of the 2d session of the 85th Congress, unless, in the meantime, the Senate acted on S. 2883. (The Robertson amendment was ruled out of order.)

During the period of the recent activity in the Senate on S. 2883, the Commission met (February 21, 1958) to consider protests against the project. Subsequently Speaker RAYBURN announced the Commission made a final decision to instruct Mr. Stewart to make contracts for the extension.

The president of the American Institute of Architects, Leon Chatelain, Jr., representing 13,000 registered architects, stated on February 17, 1958, that requiring the architects to follow scheme B of 1905 was like ordering a doctor "to remove the appendix regardless of the effect on the patient." In June 1955 the AIA had adopted a resolution against the proposed extension.

Douglas Haskel, editor of Architectural Forum magazine, made the following comment on February 17, 1958: "The basic fault of the whole enterprise is that it seeks to squeeze the many practical requirements into a preconceived, frozen form that was thought up in the first place by men long since dead, for completely different artistic purposes which the passage of time has shown to be mistaken."

A citizens group in Washington has organized into the Committee to Preserve the National Capitol, headed by Julian E. Beria, chairman. On February 17, 1958, Mr. Beria said: "The committee is completely in accord with the necessity for providing space and facilities to effectively serve the needs of Congress. And yet we feel that those needs

are best met by providing the space away from this historic monument."

The National Trust for Historic Preservation is comprised of 242 organizations and 2,057 individuals. Henry Clay Hofheimer, trustee of this group, had this to say on February 17, 1958: "No mere 32 feet of the most expensive square feet of official building in history can expand the historic Capitol to a size that will encompass all the needs of the present generation of legislators for more space. * * * The National Trust for Historic Preservation urges that the surviving original facade that epitomizes our earliest ambitions and records the greatest events of our history be preserved."

On March 25, 1958, Representative CLARENCE CANNON, chairman of the House Appropriations Committee, defended the structural and artistic needs for the extension project, already approved by House and Senate. He said the matter had been magnified recently out of all proportion to its importance.

On March 23 the Washington Sunday Star made the following observation in its editorial columns:

HUMBUG AND THE CAPITOL

The popular campaign against carrying out the 94-year-old proposal to extend the east front of the Capitol reflects a noble sentiment.

That sentiment is directed against "vandalism," "barbarous mutilation," "destruction of our heritage," "elimination of the Capitol plaza," "messing up the Nation's superb and unique Capitol," "vandalism and extravagance," and intent to "hack up and deface the historic United States Capitol."

Nobody wants to see such things done. Yet that is the prospect, if the stories Americans are reading in many of their newspapers are true. But are they true?

We think they are untrue. We think they present an extravagant and irresponsible distortion of the facts. The record should be set straight. We plan to set it straight in a series of articles beginning on the first page of today's Star. For the public hysteria whipped up by an organized campaign—notable for its grotesque misrepresentations—is far more dangerous to intelligent preservation of the United States Capitol than anything attributed to the proponents of the east front extension.

Thomas U. Walter, who designed the Capitold dome and the Senate and House wings, was the first Architect of the Capitol to propose an east front extension, in 1864. Every succeeding Architect of the Capitol has favored it. Were they vandals? The National Commission of Fine Arts has favored it in principle twice—under leadership of such champions for the preservation of things worth while as Gilmore D. Clarke and Charles Moore. The roster of other extension proponents includes the designers of the National Gallery of Art, the Lincoln Memorial, the Folger Library, and most of Washington's other buildings of classical beauty. These men, as well as present consultants, are among distinguished architects who have favored extension of the east front. Are they guilty of favoring mutilation of the Capitol?

Is Speaker of the House RAYBURN moved, as has been charged, by a whimsical desire to exploit his influence and deface "his" Capitol? Are those who sit with him on the Commission for the Extension of the Capitol in favor of hacking it up?

In the series of articles beginning today we propose to examine some of these and other vicious suggestions used to color criticism of the extension. We also believe it is important to consider the alternatives to extension of the east front—just as they have been considered at such length over the years by those best qualified to judge the feasibility of what might be done, in circumstances requiring that something must be done.

We have no quarrel with those who disagree with scheme B. Tastes, architecturally and otherwise, of course differ. Somebody has to decide, and a decision was made. But it is unfortunate that a realistic problem, demanding intelligent solution, has been so widely misrepresented by so many people who know nothing about it, and that those who do know something about it have been subjected to such ignorant abuse.

Then continued on March 27 as follows:

GET GOING ON THE EAST FRONT

It is likely that many Members of Congress have been misled by the sinister accusations and half-truths of the whipped-up write-your-Congressman campaign to save the Capitol from organized vandalism.

Undoubtedly many of them have been deluged by sincere protests from constituents back home. For their constituents have been told only half of the story, with deliberate suppression by the propagandists of the factual considerations underlying the carefully considered plan to extend the east front.

These have been set forth in the series of articles by the Star's George Beveridge, who was given full access to the reports and records of the distinguished Commission of its own leadership set up by Congress to supervise and carry out the project.

The information contained in these articles and the personal investigation of the facts by Members of Congress who wish to reassure themselves ought to set the record straight. We hope so. For the work should proceed immediately, without further dilly-dallying.

Our Capitol is a beautiful, living building. We show elsewhere in today's Star some pictures that illustrate phases of its past growth. The east front extension will bring it nearer completion, and years hence the House and Senate wings may also be extended, with other changes to preserve the grandeur of the structure together with its utility.

Understanding the reasons for what is being done, we believe their constituents back home will support the Members of Congress who have had the courage and imagination to do what should have been done years ago, and to save the Capitol from the deteriorating influences of misdirected sentimentality.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to our distinguished Speaker.

Mr. RAYBURN. I want to join the gentleman in his congratulations of the wonderful articles appearing in the Washington Evening Star, and also for the sound, sensible editorials that the editorial writers of the Star have written in their newspaper. They are very informative, and they tell the truth about this situation.

Now, I have been made the whipping boy, in a way, about this thing. One great newspaper commenced an editorial by saying "The Capitol does not belong to SAM RAYBURN." Now, if that had been some little weekly or biweekly paper away down in the Fourth Congressional District of Texas, it would have been much more proper. But more than that, some of them have written articles saying that SAM RAYBURN dominates this Commission. I would like to find somebody who can dominate men like the gentleman from Massachusetts, Mr. Martin; the Vice President of the United States, Mr. Nixon; the Republican leader of the Senate, Mr. Knowland; and George Stewart, the Architect of the Capitol.

I shall not say how the vote was; that is, who voted for or who voted against. But 4 out of 5 members of that Commission gave it as their sense and their judgment that the Architect of the Capitol should go along with this reconstruction.

There are some people who do not seem to understand that we are trying to preserve the Capitol. If this extension is made, it will look exactly as it is now. On top of that, there is so much misinformation going around, you would think that extending the east front 32½ feet would bring it out beyond the Senate and House ends, whereas the truth of the business is that it would still lack 40 feet from coming out as far as the Senate and House ends of the Capitol.

People talk about defacing the Capitol. Pieces are falling out. I saw two pieces of stone that had fallen out of the columns, which were bigger than my fist. A 30-pound slab has fallen off the east front. They talk about defacing this building, changing it. What could deface it more than 35 coats of paint which have gone on it, and putting concrete in these holes and then painting them over?

I agree entirely with the gentleman from Iowa [Mr. SCHWENGEL], who has the floor, that it poses a hazard. Architects of great worth who have looked at it say that it is a hazard to human life. They say it may fall down. Senator HAYDEN on an amendment to an appropriation bill said that an airplane exploding, not on the Capitol, but in this neighborhood would, in all probability, create such a jar that the east front of the Capitol would go down.

Just to show you how little people know about this, I was talking to a very intelligent lady a while back who was very much opposed to "defacing the Capitol." I said, "Suppose that the best judgment of men everywhere is that this is a hazard and that it should come down. What is the difference between extending it out 32½ feet and providing some additional room for us—some 54 rooms, and restaurant facilities to accommodate Members of the House who have to stand out here sometimes 30 and 40 minutes, with their constituents, trying to get into the little dining room that we have"—I said, "What difference is there between extending it out 32½ feet and doing this necessary work for the convenience of Members in their way of working, and reestablishing it where it is? There would be just as much defacing there." She said, "I had never thought of it in that way," and the average critic of the preservation of the east front of the Capitol is thinking just about that deeply.

As far as I am concerned, propaganda does not drive me around, because I do not know anybody around here who can take criticism better than I can. I am not afraid of it. When I am right, as I think I am on this proposition, nobody is going to drive me off it.

Let me repeat, if the gentleman will yield further, that it is vitally necessary

for the preservation of the east front that this work be done. You take that cornice up there. It is falling off, chunks of it. The gentleman has a demonstration of that. That cannot stay. You cannot take that piece off and put it back. It is defaced when that falls off. Why are we not willing to get something there that will be permanent, in marble that will stay there for hundreds of years?

There is a spirit that has gone over the land, and I am getting a few petitions from people who know nothing about it. A great many do know something about it. There are some good architects in this country that are opposed to this, but I do not think they have studied it as deeply as George Stewart and the wonderful group of architects he has gathered around him.

I think this work ought to go forward. I think we are not going to have any east front if we allow this to go on for a few more years. As far as I am concerned, I want to start now and have that finished in that beautiful form by the inauguration of the next President in 1961.

It will look exactly as it looks now. If you tour the Capitol and go over into the basement rotunda you will see there a replica of exactly how this Capitol will look when this is done. You will see very little difference in its looks then as compared with what it looks like now.

So I congratulate the gentleman and again I congratulate the Star paper for its wonderful work and the truth it is telling about this situation.

Mr. CUNNINGHAM of Iowa. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield.

Mr. CUNNINGHAM of Iowa. I wish to thank the gentleman for his most interesting report on the history of our Capitol. I have known ever since the gentleman first came to Congress of his intense interest in the history of the United States and particularly the Capitol, the seat of our Government. I know the amount of work he has put in, in the way of research.

I also am aware of the fact that originally the gentleman was opposed to the extension of the east front of the Capitol as proposed. I understand the gentleman introduced a bill some months back in opposition to the proposed plan, a bill that, if enacted by Congress, would prevent any change in the present setup or arrangement of the east front of our Capitol.

Today I am privileged to witness a most refreshing event, something that in my more than 17 years as a Member of this House I have seldom witnessed, that of a man being big enough to take the floor of this House and admit that his original position was wrong, as he had determined as the result of additional study and research. I take my hat off to any American or to any Member of Congress who is that kind of individual. I have known the qualities of the gentleman from Iowa since I became acquainted with him several years ago. They have convinced me that he is that kind of man.

Today as I am privileged to sit here and listen to him I am reminded of the old saying that a wise man changes his mind occasionally, but a fool has no mind to change. So we are listening to a Member of Congress today who is showing his own wisdom as the result of his work and his study.

I now want to ask a question, but will preface it with a brief remark. It was my good fortune some 6 or 7 years ago, I have forgotten just how long, although I know it was during the administration of President Truman, to be a member of the Public Works Committee of the House of Representatives and also a member of the subcommittee known as the Subcommittee on Buildings and Grounds. Our committee was invited by the President to go over and inspect the White House after he and his family had moved out, to Blair House across the street.

I never will forget that day. We spent the entire forenoon, as I recall; practically every member of the committee was there. Mr. Whittington, of Mississippi, was chairman. We were asked to go over and see what the termites throughout the years had done to the interior of the White House. All of us were concerned about making some change in the exterior so that it would not appear as it had throughout the years to schoolchildren and others. We were given free run of the White House so that we could see what was in it. There was no carpeting; it was completely empty. There was no furniture in it. As I recall, each room in it as well as the halls had places cut into them, and the walls also in each room, several feet square, so that we could look into and see the condition of the joists and the construction back of the walls, back of the plaster, and under the floor.

I was amazed, and everyone was amazed when we saw, that the interior had not collapsed sometime when they had thousands of people in the building, and thus causing a great number of casualties. I remember counting the number of fireplaces and the number of bathrooms, and I was interested in the fact that there were three times as many fireplaces as there were bathrooms in the White House. I think there were 48 fireplaces in the White House and 16 bathrooms. Of course, one had to realize that in those days when the White House was originally built, the only way to heat it was by use of wood in the fireplaces. Most of them had been preserved except in the new part on the third floor which had been added more recently. After spending hours going all through it, we came out on the lawn on the north side of the White House and we had one question to decide. Would we tear down the White House and build another one or regardless of the cost would we rebuild and repair the interior so that it would remain in its appearance as it had always been. Before coming to that decision, we discovered that the exterior walls were solid stone several feet in thickness and as strong and as durable as the day the White House was built. The only thing that they might need was a little better underpinning under the exterior walls. With that knowledge we took a vote on the capital lawn. Our first vote was unanimous regardless of cost to repair the interior and keep the external appearance as it had been. That is what was done.

Today in listening to the gentleman and his remarkable position and courage in changing his view, I have been noticing the picture or the architects drawing there to his left in the well of the House, and as I see that and from the conversations I have had with the gentleman, if this east front is extended some 36 feet, it will bring it proportionately even with the east front of the House Chamber and the east front of the Senate Chamber much as the west portion is now with the west front of the Senate Chamber and the west front of the House Chamber; is that correct?

Mr. SCHWENGEL. No, it will not bring it out quite that far. I think it will lack, and I am not sure, of the figures exactly, but I believe it will be some 28 feet from being even with it. We will still have that recession.

Mr. CUNNINGHAM of Iowa. But, it will be nearly even—more so than it now is?

Mr. SCHWENGEL. It will be more even; that is right.

Mr. CUNNINGHAM of Iowa. I want to ask the gentleman this question: Based on certain drawings and pictures that have come to my office recently, and some that the gentleman has shown me, if that is extended and a person was standing out on the Capitol plaza in the direction of the Supreme Court building; would it not look when completed just as it looks today?

Mr. SCHWENGEL. The answer to that question is "yes". I have some pictures. This is rather small and you cannot see it very well, but I will have it on a chart tomorrow.

Mr. CUNNINGHAM of Iowa. May I ask the gentleman this question? The columns would appear just as they do now?

Mr. SCHWENGEL. They would be just exactly the same. The principal difference would be that they would be of a different type of stone. The present walls are made of Virginia sandstone and that is not very permanent.

Mr. CUNNINGHAM of Iowa. And painting will make them look exactly the same?

Mr. SCHWENGEL. Yes; and I am told it is very comparable.

Mr. CUNNINGHAM of Iowa. In other words, and I am concluding now, and I thank the gentleman for what he has given to us, if that is done then the appearance of the Capitol when the east front is extended and completed would be to the average person just exactly as the appearance of the White House is today to the average person and what it was before it was remodeled a few years ago.

Mr. SCHWENGEL. That is true.

Mr. CUNNINGHAM of Iowa. I thank the gentleman.

Mr. BROWNSON. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield.

Mr. BROWNSON. I want to congratulate the gentleman on his extensive research and ask one or two questions. We have just heard from the distinguished gentleman from Iowa [Mr. CUNNINGHAM] who inspected the White

House and who told us the committee decided to retain the original outside walls of the White House because they were constructed of durable stone and were all in good condition. So at considerably greater expense than building a new building, the outside of the White House was retained and the inside was reinforced and rebuilt. An interesting fact is that the walls of the east front of the Capitol are made of exactly the same sandstone as the walls of the White House. The White House, too, has been painted approximately the same number of times as the Capitol. While I quite agree with the gentleman's position that we do not want the east front of the Capitol to be unsafe, I must say I am still in the position that the gentleman was before his recantation this afternoon. I still have a bill, H. R. 11113, seeking to block the moving of the east front. That is why I am particularly interested in finding out what the gentleman has to say about why he gave up the idea of restoring the historic walls made of the same material as the White House in order to substitute a 1958 wall made out of marble?

Mr. SCHWENGEL. There are several answers to that. One is that the load that has to be carried by this wall is much greater than the load that has to be carried by the White House wall. If you will inspect the Capitol you will see there are cement extensions over the top that are in a very bad state of repair. Two of the places that the Speaker referred to had chunks of some 30 pounds fallen out. Here in this photograph is an area that had a chunk weighing over 60 pounds fall out, directly over where people travel back and forth every day. So I do not believe it is practical to restore that wall.

Mr. BROWNSON. The chunks that are falling out are cement?

Mr. SCHWENGEL. Yes, they are. I had a sample in my office, and when I took hold of it it just broke off. I am not sure that the sandstone is the same as in the White House. It may be.

Mr. BROWNSON. I understood it came from the identical quarry as the sandstone in the White House. I do not know. I was not here at the time it was constructed, needless to say.

One other question I would like to ask the distinguished gentleman from Iowa [Mr. SCHWENGEL]: Does the gentleman have any estimate as to what it would cost to restore the present wall in first-class workmanlike condition as compared with the overall cost to reconstruct a marble imitation some 32 feet in advance of the present position?

Mr. SCHWENGEL. Preliminary studies show it will cost just as much or almost as much to restore the wall in its present position as it will to have the extension.

One further point on this extension that was of importance, and that is that the original plan for the Capitol, as shown in this photograph, called for this extension. If you could see this picture you would see that the skirt of the dome extends about 12 feet over the area of this wall. It is not hard to imagine that the architects at that time did not mean for that to be permanent. So that is another reason.

Mr. BROWNSON. Several of America's distinguished architects have said this overhang is one of the interesting features of the building which makes the lower part of the dome more visible than in almost any other building. The thing that bothers me, frankly, is that I like to think that when you walk up those front steps you walk up the same steps that Jefferson and Presidents since that time have walked. I realize there have actually been minor repairs and renovations. When we walk at Mount Vernon we may not walk on the same floor that George Washington did. But at the same time it gives a feeling for history that many people like. Tourists are spending billions of dollars every year traveling overseas to get that same feeling in connection with shrines that they have over there, where they do not replace as frequently as we do, but where they renovate and restore, understandingly.

Mr. SCHWENGEL. The gentleman spoke of Jefferson and his time. That was just the Senate section.

Mr. ALBERT. Mr Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield.

Mr. ALBERT. I want to congratulate the gentleman upon his statement. He has made a real contribution to the House. I deeply appreciate his giving us the benefit of his research into the history and development of the Capitol. The American people love this Capitol. We who serve here love it. It is one of our great national symbols but it is more than a symbol. It is the workshop of a representative government. As such it has been enlarged and, from time to time, altered to make it more serviceable. The gentleman has brought out this historic fact very forcibly. I agree with him that the proposed change will make this Capitol a more useful workshop of democracy in the future.

Mr. SCHWENGEL. I thank the gentleman.

Mr. CUNNINGHAM of Iowa. Mr. Speaker, will the gentleman yield further?

Mr. SCHWENGEL. I yield.

Mr. CUNNINGHAM of Iowa. Is it not true that the gentleman in coming to his decision to reverse himself personally went up on the roof of this Capitol and surveyed it from every angle, investigating the condition of the walls and the cornices before he came to this remarkable change in his position?

Mr. SCHWENGEL. Yes; I not only went to the roof of this Chamber, but also the Senate Chamber many times; and one Saturday I got into some old clothes and went through the lower recesses of the Capital to make a first-hand study of the foundation.

Mr. CUNNINGHAM of Iowa. As I recall, the gentleman was not a Member of this body when we had a room which some have described as a boiler factory, where we had a terrific amount of iron under the ceiling, supported by steel braces around the edges of the balcony. It took more than a year to change the whole inside of this Chamber and rebuild it into the beautiful room it now is. Would this rebuilding and strengthening change the front of the Capitol any more than this room and the Senate Chamber were changed by the building that was done?

Mr. SCHWENGEL. Let me say in answer to the gentleman's statement that I understand there has been quite a change on the inside of this Chamber.

Mr. CUNNINGHAM of Iowa. The gentleman is not talking about the membership, is he?

Mr. SCHWENGEL. No. I understand there were some changes in the Chamber. But in the extension of the east front there will be no difference in the actual design. The statues and all the design and everything will be duplicated just like it was when originally built.

Mr. CUNNINGHAM of Iowa. The marble steps, the balustrades will be kept just as they are now?

Mr. SCHWENGEL. Yes.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I believe the gentleman now addressing the House is himself president of the Lincoln Club of the District of Columbia. He knows, I feel certain, that this Chamber is far from being the historical Chamber in which Abraham Lincoln served as a Member.

Mr. SCHWENGEL. In fact, Abraham Lincoln served in the chamber now used as Statuary Hall. The gentleman might be interested in knowing that changes were made in that chamber, that originally there was a slanting floor in that room just as there is in this Chamber; so the floor we walk on now in Statuary Hall is not the floor that was there in Lincoln's day.

Mr. NIMTZ. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield.

Mr. NIMTZ. I, too, want to join my colleagues in commending the gentleman on his presentation. We all know the gentleman from Iowa to be a distinguished student of Lincoln, a most scholarly student of the Civil War, and a thorough student of the history of the Capitol Building and of this Chamber in which we meet. He has now used his scholarly and analytical approach, for which he is known in those fields, to this subject of the remodeling of the Capitol Building in the discussion he has presented to us today. We are indeed indebted to him for the information he has given to us and his approach to this problem.

Mr. SCHWENGEL. I thank the gentleman very much.

HOUR OF MEETING, APRIL 1, 1958

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DECAY OF THE POWERS OF THE CONGRESS OF THE UNITED STATES

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 20 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include related matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONGRESSIONAL INVESTIGATIVE POWER

Mr. MEADER. Mr. Speaker, I have listened with a great deal of interest to the discussion of the gentleman from Iowa [Mr. SCHWENGEL] and his colleagues who participated in colloquy with him on the subject of the extension and improvement of the east front of the Capitol.

I want to talk to you about another matter which similarly, it seems to me, should be dear to the hearts of the American people and particularly the Members of Congress; I want to talk about erosion, not in buildings, but in the powers of the Congress of the United States.

Mr. Speaker, I am interested in the power of Congressional investigation—because to me it is vital to the effective exercise of the policymaking authority of the Congress in modern, complex society.

Our economy has grown, not only in size but in the variety of our society's endeavors. It is vastly different from the economy of our ancestors. The responsibilities of the Federal Government have grown not only in size and in cost but in the complexity of their nature, and the responsibilities of the Congress for determining national policy likewise have become more difficult because the problems are more numerous and more complex.

Is it not clear that the Congress must modernize and equip itself to understand the subjects with which it deals? If the Congress fails to do this, then the Congress will become of less and less importance in our national life.

Only through specialization through committees, equipped with able staffs and through the intelligent and effective exercise of its investigative power can the Congress preserve its strength, its powers, its prerogatives, and make itself a more useful and effective instrument for determining national policy under modern conditions. Therefore, I am disturbed when the executive branch of the Government attempts to whittle away and to erode the policymaking authority of the Congress of the United States.

That is what caused me earlier this month to discuss at some length the testimony given by the Attorney General of the United States before the Senate Judiciary Subcommittee on March 6, 1958. My remarks on that occasion will be found on pages 3848 to 3854 of the CONGRESSIONAL RECORD for March 10, 1958. The Attorney General apparently had my remarks called to his attention and on March 14, 1958, addressed a letter to me. That letter is as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., March 14, 1958.

Hon. GEORGE MEADER,
House of Representatives,
Washington, D. C.

DEAR GEORGE: I am enclosing herewith a copy of the prepared statement which I made before the Senate Subcommittee on Constitutional Rights on March 6. I assume from reading your remarks in the House on March 10 that you may not have read it. Your remarks evidence a serious misunderstanding of my position on inquiry by the legislative branch concerning the decision-making process and documents of the executive branch.

You assert that in my testimony before the Senate subcommittee I championed a policy and privilege which would deny to Congress and the public access to all executive documents and papers. This is simply not so. I emphasized the necessity of furnishing all possible information to Congress and the public, only withholding that which in the public interest it is necessary to withhold. I reiterate now that this administration, and particularly the Department of Justice of which I have been a part for the past 5 years, has furnished more information to Congress and the public than ever before.

In your remarks you stated, "There are countless instances where Congressional requests for information from the executive branch of the Government have been fulfilled." Certainly there have been "countless instances." It is my hope and full expectation that there will continue to be. To imply as you have that it is my view that under the Legislative Reorganization Act "committees should study the operations of Government but only have access to information outside the possession of the executive branch of the Government" is to distort completely my testimony. I fully agree with the view stated in your very next sentence: "The great bulk of information on which any such study must be based naturally would be in the possession of the executive branch of the Government"—and it is my intent and I believe the intent of this administration that Congressional committees shall have access to that great bulk of information.

Nor have I made any denial of the existence of the investigative power of the Congress. The position which I have cited and upheld by precedent, law, and logic is the position which every Attorney General and every President beginning with George Washington has taken when the issue arose. As I read your remarks, you appear to place no limit on the legislative right to inquire and investigate into the documents and actions of persons in the executive branch. Are there any limits? If so, where? In my opinion the limits are dictated by the fundamental doctrine of separation of powers. Unless you are prepared to recognize limits to the right of legislative inquiry based on the separation of powers, you are asserting a theory of legislative supremacy embodied in the unworkable Articles of Confederation but rejected in our Constitution.

Speaker RAYBURN, then House minority leader, in 1948 put it pretty bluntly:

"I do not know what you think the powers of Congress are. Are they limitless? Is there no limit under the Constitution to which any Congress, much less a very partisan one would go? Back in the formative period of this Government there was a great jurist. * * * In 1803 he gave forth this language in a very familiar case (and at this point Mr. RAYBURN quoted the language of Chief Justice Marshall in *Marbury* v. *Madison*, dealing with the principle of the separation of powers, which I cited on page 25 of my prepared statement)" (CONGRESSIONAL RECORD, vol. 94, pt. 5, p. 5740).

You will notice in my statement that I gave full recognition to the existence of like legislative and judicial privileges based fundamentally on the constitutional separation of powers as is the executive privilege.

The historical precedents cited in my statement define the principles and circumstances calling for the exercise of executive discretion in furnishing papers and information to Congress. The 81st Congress defined its own legislative privilege in these words, that "no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission."

You might consider the consequences if such executive, legislative, or judicial privileges did not exist, if the executive could not assert under the Constitution a privilege against unrestricted legislative and public inquiry For example, how much information would the Antitrust Division of the Department of Justice receive from aggrieved small-business men if the executive did not have a right and duty to keep confidential the names of those who make complaint of violations of the antitrust laws? How much information would the Federal Bureau of Investigation continue to receive from its confidential informants if the FBI files could not be protected by the executive from the demands of any curious Congressional committee? Most people agree that the executive has a right and duty to keep such information confidential, and that of course is merely the exercise of the executive privilege.

This has been clearly put by the present House majority leader, Mr. MCCORMACK:

"I must recognize that there must be an independence of the other branches which must be preserved the same as the independence of the legislative branch must be preserved, and I say that under our form of government, consisting of the three coordinate branches, the President of the United States is the one to judge, and not the Congress. And, in turn, the judge of the President of the United States is the people." (CONGRESSIONAL RECORD, vol. 94, pt. 5, p. 5712).

Your fears of an unwarranted withholding of information by the executive are unfounded. The true guard and judge of the reasonableness with which the executive exercises its privilege is the people, the force of public opinion, as Congressman MCCORMACK recognized. The Founding Fathers foresaw this when they created the three branches with coequal privileges, leaving it to public opinion to sustain or condemn the exercise of those privileges as their reasonableness might appear.

In my opinion there is no question but that the executive branch of the Government of the United States makes available to Congress and the public vastly more information than does the executive of any other government in the world. This is an asset of great value under our republican form of government, and its real worth should not be obscured by a misplaced emphasis on the relatively few instances where the executive has deemed it necessary to withhold information.

In the past the executive has acquiesced in the great majority of requests for information from Congress. It no doubt will continue to do so. If in any particular case the executive under this administration exercises its privilege and declines a request of Congress, it will first make very sure that its declination is truly on the ground of overall public interest. And it will rely on a public opinion informed by a free and conscientious press to support its decision,

for this administration indeed considers itself accountable to the people for all its decisions.

With best personal regards, I remain,

Yours cordially,

WILLIAM P. ROGERS,
Attorney General.

Mr. Speaker, I read the letter very carefully and reviewed again the testimony the Attorney General had given before the Senate Judiciary Committee. I also reviewed the remarks I had made in the House of Representatives and composed a reply to the Attorney General, dated March 28, 1958, which I will insert in my remarks at this point:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 28, 1958.

Hon. WILLIAM P. ROGERS,
The Attorney General, Department of Justice, Washington, D. C.

DEAR BILL: This is in reply to your letter of March 14, 1958, commenting on my speech on the floor of the House March 10, 1958, during which I discussed the investigative power of the Congress and your testimony before the Senate Judiciary Committee on alleged "executive privilege" to withhold information from the Congress.

I am glad to reply to your letter because I believe arguing the constitutional principle involved will be useful providing we confine our debate to legal principles, using skill in legal reasoning and avoiding irrelevancies.

Your high position as the chief legal officer of the United States renders your views significant because they are likely to be given great weight by officials in the executive branch of the Government from whom the Congress from time to time may desire information. They are important, too, because the Department of Justice and United States district attorneys have responsibilities under section 102 of the Revised Statutes for the enforcement of the investigative powers of the Congress.

Although your letter does not clearly say so, the central point of difference between us seems to be whether, in the event of disagreement as to the production of information Congress has requested from the executive branch of the Government, the power to decide resides in the Congress or in the President. I hold that the power resides in the Congress, and you apparently contend that the power resides in the executive branch of the Government. We both concede that historically a constitutional showdown on this question has been avoided, and I have expressed the hope that such a showdown will never be necessary.

You have conceded that included within the legislative power vested in the Congress is the power of inquiry. Apparently you also concede that the legislative power cannot be exercised intelligently in our modern, complex society without adequate means for ascertaining facts and considerations which are a necessary foundation for an enlightened declaration of public policy. Yet you assert that this power is unavailing in the event the executive branch decides it is in the public interest to withhold information from the Congress.

I do not concede the existence of an executive privilege to withhold information from Congress. Nevertheless, we might narrow the area of disagreement between us if you would be willing to describe the nature and characteristics of this executive privilege with greater exactitude. Such a description should include answers to the following questions:

1. Is the executive privilege one which may be exercised solely by the President personally with respect to each Congressional request for information limited only to that request?

2. May the President validly issue a blanket order to all officials and employees in the executive branch of the Government instructing them to deny Congress: (a) all requests for information; (b) all requests for a certain type of document or testimony; (c) all information in certain areas of governmental activities?

3. May this Presidential executive privilege and the power to exercise it be delegated to inferior officials in the executive branch of the Government? If so to (a) Cabinet members? (b) division heads? (c) economists and clerks? (d) any and all of the personnel in the executive branch of the Government?

4. Is the decision to withhold information from the Congress on the basis of executive privilege subject to any review whatever?

5. With respect to information properly classified, can the executive privilege be invoked where satisfactory arrangements are made to preserve the classified character of the information?

You have been unable to cite any express language in the Constitution authorizing executive privilege or any recognition of executive privilege by the Congress in statutes or by the courts in decisions.

You seem to rely rather vaguely upon the doctrine of separation of powers which I discussed at some length in my remarks on the floor of the House on March 10, 1958. I failed to find any refutation or other reference to this discussion in your letter of March 14, 1958.

I stated in my speech, and I again affirm, that I disapprove as vigorously as you of attempts Congress has made in the past to inject itself into the execution and administration of the laws and to assume the right to make executive decisions. I shall continue to follow that policy.

There is a considerable gap in logic, however, between stating the doctrine of separation of powers and concluding that Congressional access to the facts about the conduct of the public business is an attempted usurpation of executive authority. To say that Congress has no right to know fully about the public business but must depend only upon the information the Executive is willing to give it, in such color and completeness as the Executive elects, it seems to me, is to assert untouchability in public servants totally out of line with our democratic concept that executive agencies are the servants, not the masters, of the sovereign people.

If the doctrine of separation of powers has any application to the question in controversy between us, it seems to me it supports the position I have taken. If, as the court decisions clearly hold, the power of inquiry is an essential ingredient of the power to legislate, then the interference with that investigative power and the obstruction of its exercise by the Executive is an invasion of legislative authority and an unconstitutional assumption by the Executive of legislative power vested by the Constitution in the Congress.

As I have pointed out, the Supreme Court has time and again upheld the power of inquiry of the Congress because of its necessity to sound and intelligent legislation. This view was excellently expressed in *McGrain* v. *Dougherty* (273 U. S. 135):

"A legislative body cannot legislate wisely or effectively in the absence of information respecting the conditions which the legislation is intended to affect or change; and where the legislative body does not itself possess the requisite information—which not infrequently is true—recourse must be had to others who do possess it."

Of course, a great deal of information needed by Congress to determine public policy is in the possession of individual citizens, corporations and various types of non-governmental organizations, but probably by far the great bulk of information needed by Congress to legislate intelligently is in the possession of the executive branch of the government which in the last 2½ decades has grown to mammoth proportions, not only in dollar expenditures and personnel, but in control and regulation of our national life. It is unthinkable to me that a court would hold that information in the possession of nongovernmental persons and agencies is more readily accessible to Congress than information in the possession of a public official.

The information possessed by a public official is not his private property, and the right of "privacy" conceived to exist in individual citizens by reason of the Bill of Rights and otherwise would not seem to apply to public officials who act as agents of the people in a position to trust. After all, the records and files of the Department of Justice are not the personal property of Bill Rogers or any subordinate official in the Department of Justice. They are Government property. If a private citizen may not withhold from Congressional inquiry his private papers, is there not much more reason to hold that Government information needed in the formulation of public policy should be available to that part of the Government to whom it is most useful in determining how we should be governed?

The principle that public officials in their official capacity act as agents of the Government and exercise their powers and possess Government property and records as trustees is well established. Thus it would appear that the decisions of the Court in upholding the power of Congressional inquiry with respect to private citizens are precedents establishing the power of Congress to obtain information in the possession of Government officials.

Another passage in *McGrain* v. *Daugherty* is relevant to that portion of your contention that it is sufficient for Congress to have such information as the executive branch of the Government voluntarily supplies it:

"Experience has taught that mere requests for such information often are unavailing, and also that information which is volunteered is not always accurate or complete; so some means of compulsion are essential to obtain what is needed."

You suggest that my view of the investigative authority of the Congress asserts "a theory of legislative supremacy embodied in the unworkable Articles of Confederation but rejected in our Constitution." You are correct that I do assert the supremacy of Congress in the field of legislation, but I base this upon the Constitution, not the Articles of Confederation. I find nothing in the Constitution which indicates any intent to strip from the legislative power it vests in Congress the power of inquiry which has always been considered to inhere in the legislative power. In this view I am confirmed by repeated decisions of the Supreme Court.

I refer you again to the brilliant law review article of Gerald Morgan, the President's special counsel, who criticized penetratingly, it seems to me, an attempt by the courts to review legislative judgments by undertaking to decide whether the subject matter of the Congressional inquiry was relevant to a subject on which Congress could legislate. This, of course, was the holding of *Kilbourn* v. *Thompson* (103 U. S. 190). Mr. Morgan expressed this idea as follows:

"Now if, as indicated in Oklahoma Press case, the Congressional power of investigation extends to investigating for the purpose of determining if the facts show whether or not Congress can legislate at all, if an investigation does not have to be preceded by the adoption of a resolution defining its scope and purpose, and if the Congressional power of investigation is like the inquisitorial power of a grand jury, then it becomes impossible for a court to exercise a power of review with respect to the lawfulness of such investigations, unless the court presumes bad faith

on the part of a coordinate branch of the Government. And moreover, questions of pertinency in legislative inquiries become questions that by their very nature cannot be determined judicially—they become questions that courts cannot determine at all without in effect rendering advisory opinions as to what facts it would be appropriate for Congress to consider, for the Senate or House to consider, in forming a legislative judgment first as to whether it may legislate, next as to whether it should legislate, and finally as to how it should legislate. The exercise of that judgment is made through the collective action of the Members, upon their oath of office—substantially the same oath that judges take. And their decision as to what is or is not relevant to the exercise of that judgment should be binding and conclusive upon the world."

Yet it must be said that even in *Kilbourn* v. *Thompson*, the Supreme Court did not go nearly as far in invading legislative prerogatives as you do in asserting an executive privilege since the Court recognized the power of Congress to inquire but held only that its inquiry must be limited to matters on which it validly could legislate. Your assertion of executive privilege has no such limitation but only the very broad one that whenever the Executive thinks it is in the public interest to withhold information, Congress may not obtain it. What is or is not in the public interest, of course, is a concept so broad as not to have any limitations whatever. Therefore, I have said, and repeat, that the asserted executive privilege is equivalent to saying that the President need not give any information at all to Congress since he may always say, and no one can review or disagree with his statement, that it would not be in the public interest to give Congress the information.

I would appreciate your directing your attention to the questions I have asked above and particularly to an explanation of the steps of logic in your thinking by which you arrive at the conclusion that knowledge by Congress of facts about the public business is an attempt to exercise executive powers. It seems clear to me that knowledge in and of itself does not amount to an attempt to make executive or administrative decisions.

It is of course, true that a complete knowledge of the facts about an executive decision might reveal its fallacy, but this would be a matter which would appeal only to the minds of the people and would not serve to overrule an administrative decision within executive discretion which is valid and binding regardless of its soundness or unsoundness. The only possibility I can see that knowledge of the conduct of the public business could be regarded as invading executive authority is the assumption that executive decisions, good or bad, are the sole and exclusive business of officials in the executive branch of the Government and that neither the Congress nor the people have any right to be concerned about them. This asserts a doctrine of executive power which I believe is wholly out of keeping with our concept of democracy and self-government. It smacks of totalitarianism, and I hope it will never prevail in this country.

President Truman wrote a letter March 13, 1948, intended to deny to the Senate Committee for which you were then counsel certain files concerning the loyalty of executive personnel.

President Eisenhower May 17, 1954, wrote a similar letter growing out of an effort of that same Senate committee to obtain certain information relating to the Army-McCarthy hearings.

Though the matters which gave rise to those two letters have long since passed from the scene, the letters still are being relied upon by personnel in the executive branch to deny information to the Congress.

Regardless of the constitutional controversy between us, the sincerity of the desire you express to make available the maximum amount of information to the Congress would seem to call for sweeping away those cobwebs either by a declaration that those letters no longer have any validity or that at the least they are confined to the subjects then in controversy.

Sincerely,

GEORGE MEADER.

I only wish to add that I hope all Members of the Congress and all committees will continuously be jealous of the powers and the prerogatives of the Congress; that they will not permit those powers to be frittered away carelessly or will not countenance the actions of those who seek to weaken or destroy them.

EDUCATION

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BYRD] is recognized for 10 minutes.

Mr. BYRD. Mr. Speaker, on one occasion Aristotle was asked how much educated men were superior to uneducated men. "As much," said he, "as the living are to the dead." Yet, some 150,000 young Americans this year, last year, and the year before did not go on to pursue a college education just because of financial difficulties. One hundred and fifty thousand students out of the top echelon of their classes in high school did not go on to study in college—just because of a lack of means to pay. Each time I think of the Russian sputniks I am prone to wonder how many of those students who did not go to college 10 years ago for the same reason would now be available to help our country, in a time of desperate shortage of scientists and engineers, to win the race for outer space.

Two years ago I was in Africa, the Middle East, and in Asia, and each time I recall my visit to the Asian-African world, where America's vital interests are increasingly concerned, I am appalled once again by the fact that only a handful of Americans can talk the language of the peoples of those two great continents, to say nothing of European languages. It is important to be able to converse in other languages if we are to hope to transmit and exchange the ideas of free men with the peoples of captive countries. Yet, too few American students today are preparing, through language studies and scientific studies, to meet the challenges that will confront America in the immediate years ahead.

It is no longer mere idle speculation that man may someday reach the moon. We have now crossed another threshold into the age of space flight. The first Russian satellite was an important technological breakthrough that provided a warning to us to provide enough scientists and technicians of sufficient quality to enable us to regain and hold world leadership in the technological race or else lose our liberties and freedoms forever.

The backward peasant nation that was the Soviet Union 30 years ago has raised itself to a high level of technological accomplishment—even though it may have been at great cost in human suffering. Today, Soviet missiles and rockets face us, to say nothing of a vast fleet of missile-equipped submarines and huge standing armies. America is confronted with a shrewd and ruthless mortal enemy—Soviet Russia, a country under the leadership of atheistic men whose announced objective is the complete mastery of the world, men who are merciless, men who are ambitious, men who will stop at nothing to achieve their goal.

Nikita Khrushchev has boasted that the Soviets will be supreme in nuclear power, in consumer-goods production, in cultural activities, in agricultural production, in education. "We will bury you," he has boldly and arrogantly stated to us.

It is time we realized that the Communists are waging all-out war upon us and that we are locked in a gigantic and momentous struggle which will demand every resource of our intelligence and our spirit if we are to survive. We are in a one-game world series, and we cannot afford to lose any more innings. The Russian sputniks and our own satellites are signs in the sky that the race between the Communist world and the Free World has entered a new, a deeper, a more profound dimension. And this race is to the swift; this battle is to the strong. To effectively compete in this contest, there must be a fundamental change in American attitude toward the intellectuals—the scholars in our midst.

America needs more eggheads and fewer fatheads. It was Soviet eggheads who got the sputniks off the ground, and it will be American eggheads who get our Nation off the ground if we but give them the support they need. Frankly, I am on an egghead search. I am looking for more scientists and engineers, more mathematicians and technicians.

Not all eggheads are geniuses. Not all eggheads are potential scientists and engineers. An egghead is simply a thinking, reflecting person who may well have a strong streak of creativity in him or her. The basic hallmarks are a concern primarily with ideas, a restless inquiring mind, a dedication to something higher and outside himself. Some are hard boiled and some are soft boiled, but we need them all, and it is time that the American people and our United States Government decided to make it possible for a far higher percentage of young potential scholars to move into positions of leadership.

We must have more teachers, and we must have better teachers. That means higher teachers' salaries, so that a teacher can afford to work at only one job, so that he or she can afford to take further training during the summer months. An average salary of $4,420 is unthinkably low. Only about half of the chemistry and biology teacher graduates in 1956 actually went into the teaching profession. Industry's higher salaries are appealing to the teachers, particularly to science and mathematics teachers.

Last fall at Chicago, at a conference of more than a thousand educators and

laymen interested in education, the point was made repeatedly that high-school students are capable of handling much more solid intellectual fare than many are now receiving. The quality and the intensity of our higher education can be rather sharply increased by changes in the curricula. This is imperative when we think of the degree the Russian high-school graduate is being force-fed with scientific education.

The other day I learned this from the United States Office of Education's specialist in Soviet Education:

> The emphasis on science in Soviet schools contrasts sharply with the situation in the United States. Whereas each of the more than 1 million Soviet students graduating from secondary schools last June had taken 5 years of chemistry, 5 of biology, 10 of mathematics—including algebra, geometry, and trigonometry—less than one-third of a total of approximately the same number of our American high school graduates had taken as much as a single year in chemistry.

That is only a fraction of the story. In the Soviet Union the school week is 6 days—not 5. The school hours are longer. Study at home is more exacting. Examinations are more severe. A Russian child learns biology in grade 4, foreign languages in grade 5, physics and algebra and geometry in grade 6. Grade seven teaches chemistry. Astronomy and calculus are taught in grade 10. This Russian data surely demonstrates that many American high school students could take a considerably richer diet of education, with a strong seasoning of the physical sciences.

What can the Federal Government do to help in this gigantic national effort which our people must make to provide the yeast of opportunity for the gifted young people among us?

First of all, we need a really intensive scholarship program administered on the basis of merit and need. I am today introducing a bill to provide 50,000 such scholarships for the fiscal year beginning July 1, 1959, and during each of the 5 succeeding fiscal years. Persons awarded scholarships under my bill shall be paid $1,000 during each academic year of the scholarship's duration.

Each State would be allotted the number of such scholarships which bears the same ratio to the total number of such scholarships being allotted as its population between the ages of 18 and 21, both inclusive, bears to the total population of all the States between such ages. Any State desiring to participate in the scholarship program may do so by establishing, through its State educational agency, a State commission on scholarships and student loans, and by submitting to the United States Commissioner of Education a State plan which provides for the determination and selection, in accordance with my bill, of individuals entitled to and qualifying for such scholarships. The Federal Government would pay the administrative expenses of the State commissions.

In the same bill, I have proposed a long-term, low-interest loan program for college students, such loans to be made up to a maximum of $1,000 to any 1 student in any academic year beginning July 1, 1959, and for each of the succeeding 5 fiscal years. The bill would authorize the appropriation of $40 million annually for this purpose over the 6 fiscal years embraced by the program. Loans would be made on the basis of need and scholastic ability and for the purpose of pursuing a course of study in engineering or leading to a degree with a major concentration in academic work in a science, mathematics, or modern foreign language.

The bill provides that any college graduate who enters Government service in the scientific and engineering or related fields or who enters the teaching profession upon graduation may write off his loan, 20 percent of the loan being forgiven for each year he or she remains in the required profession. This is an incentive that will keep many young people from taking the jump out of teaching in those first years of typically low teaching salaries.

My bill would also authorize appropriations for the acquisition of science teaching facilities for institutions of higher education to carry out the program. The appropriation of $75 million annually would be authorized for the purpose of making payments to teachers for advanced study in summer sessions offered by institutions of higher education, and an appropriation of $25 million annually would be authorized for the purpose of making payments to teachers for advanced study in extension courses.

Moreover, 1,500 graduate fellowships would be awarded annually for periods of study not in excess of 3 academic years in the fields of mathematics, science, engineering, and modern foreign languages.

Congressional citations would also be presented by the Commissioner of Education to high-school graduates for outstanding scholastic achievement.

Federal control of education would be prohibited under my bill.

I have also introduced today another bill to permit teachers to deduct up to $600 per year in their Federal tax reports for expenses incurred in improving their qualifications through college courses. Incredibly enough, a lawyer can deduct the cost of attending a tax or real estate institute, an insurance man may deduct for a short course in new methods of writing insurance, a doctor can write off a refresher course on the use of antibiotics, and an actor can deduct a course in physical culture for the purposes of losing weight and thereby keeping in good condition. But a teacher who goes to summer school or takes courses during the winter toward an advanced degree or simply to broaden his or her professional competence cannot deduct the cost. My bill would permit a deduction of up to $600 each year for such extra expense.

Mr. Speaker, we must do our best to find our potential leaders in science and industry. We need technicians, we need diplomats, we need engineers and scientists, we need young people who can speak other languages, men and women who can probe the atom as well as the vast and outer reaches of the universe. I shall do my best to provide our young people with the opportunity they deserve and which our Nation's own vital self-interest demands—the opportunity to develop their talents and faculties through higher education. The discovery of a single genius can upset the military balance of power. The same discovery can contribute more to man's prosperity than the discovery of some vast new body of iron ore. The discovery of a single scientific genius may mean the difference in freedom and slavery, peace and war.

Mr. Speaker, if this free civilization of which the United States is the most formidable part should fail to survive the menace that now confronts it, the historians of the future will point to the tragedy of education in the United States as having been our Achilles' heel. Sputnik has dramatized our sorry condition. I submit, then, that we must rededicate ourselves to the cause of freedom through education, freedom for our generation now and freedom for posterity—freedom and survival for the United States and those who want to be free everywhere. I trust that the Congress will act to insure this freedom.

Education in the United States has become the neglected stepchild of American progress. Not only education from the standpoint of financial support, but education from the standpoint of substantive content. Our system of education has been so developed that it has been possible to go through grammar school, through high school, and through college, and emerge in a state of utter educational mediocrity. It is an educational system that has flaunted as an ideal, as if it were a religion, not the exceptional man, not talent, certainly not genius. It has flaunted the chap who knew how to make friends and influence people. It has not been what one knows that matters, or what one has achieved, or could achieve. There has been a consequent breakdown of discipline that has corroded the home and debased authority. The handwriting is on the wall. We must act now lest in the end we are weighed in the balances and like Belshazzar, found wanting.

THEY FOUGHT CANCER AND WON

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, this Capital City will tomorrow welcome a group of distinguished VIP's, a group of men and women who struck back at cancer and triumphed.

They are coming to call the Nation's attention to the opening of the 1958 cancer campaign, by presenting to the gracious wife of our President the American Cancer Society's symbolic sword of hope.

Mrs. Eisenhower has been named the honorary national chairman of this

great crusade, and her acceptance of the sword of hope will mark its formal opening.

We welcome these crusaders and admire them for the courage they are demonstrating, in coming here to emphasize that cancer can be cured in many cases, where diagnosis and treatment are sought and applied at the slightest hint of danger.

We know that the National Institutes of Health are hard on the trail of this vicious killer and the word comes to us that its ultimate defeat may not be long in forthcoming.

There is not one of us in this House who does not live and pray for that day, for there is hardly a one of us who has not lost some loved one or has seen some dear one wracked by this dreadful disease.

We salute these cured cancer patients who are coming here to tell their stories, to sound the battle cry against cancer and tell to others that with early diagnosis, early treatment, cancer can be cured.

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. BYRD, for 10 minutes, today.

Mr. COFFIN, for 20 minutes, tomorrow.

Mr. MACK of Washington, for 60 minutes, tomorrow.

Mrs. ROGERS of Massachusetts, for 5 minutes, today.

Mrs. ROGERS of Massachusetts, for 5 minutes, tomorrow.

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 in three instances.

Mr. O'HARA of Illinois.

Mr. FORRESTER.

Mr. FEIGHAN.

Mr. PORTER and to include extraneous matter.

Mr. NEAL.

Mr. ALGER and include an article.

Mr. LIPSCOMB in regard to the seventh anniversary of the city of South Pasadena, Calif.

Mr. CANFIELD and to include a letter from Secretary of the Treasury Anderson describing what the Treasury is doing to expedite the processing of tax refunds.

(At the request of Mr. ALBERT the following Members and to include extraneous matter, if desired:)

Mr. MULTER.

Mr. CELLER in three instances.

Mr. HARRISON of Virginia.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5822. An act to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment; and

H. R. 8268. An act to amend section 512 of the Internal Revenue Code of 1954.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1082. An act for the relief of Katina Apostolou;

S. 2062. An act for the relief of Yasna Trevizan;

S. 2124. An act for the relief of Tasia J. Somas; and

S. 3262. An act to authorize certain activities by the Armed Forces in support of the VIII Olympic Winter Games, 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 aproval, bills of the House of the following titles:

H. R. 5822. An act to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment; and

H. R. 8268. An act to amend section 512 of the Internal Revenue Code of 1954.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 43 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, April 1, 1958, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1761. A letter from the national executive director, Girl Scouts of the United States of America, transmitting the Eighth Annual Report of the Girl Scouts of the United States of America, pursuant to Public Law 272, 83d Congress (H. Doc. No. 362); to the Committee on the District of Columbia and ordered to be printed, with illustrations.

1762. A letter from the Comptroller General of the United States, transmitting a report on the review of the New York City Housing Authority, 1957, Public Housing Administration, Housing and Home Finance Agency, pursuant to the Housing Act of 1954, approved August 2, 1954 (42 U. S. C. 1435); to the Committee on Banking and Currency.

1763. A letter from the Comptroller General of the United States, transmitting a report on the review of the Housing Authority of the City of Houston, Tex., 1957, Public Housing Administration, Housing and Home Finance Agency, pursuant to the Housing Act of 1954, approved August 2, 1954 (42 U. S. C. 1435); to the Committee on Banking and Currency.

1764. A letter from the Comptroller General of the United States, transmitting a report on the audits of Government Services, Inc., and the employee retirement and benefit trust fund of Government Services, Inc., for the year ended December 31, 1957, pursuant to the request of the corporation; to the Committee on Government Operations.

1765. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill to repeal the act of March 24, 1948, which establishes special requirements governing the selection of superintendents of national cemeteries"; to the Committee on Interior and Insular Affairs.

1766. A letter from the Assistant Secretary of the Interior, transmitting a copy of an order which adjusts and eliminates reimbursable charges of the Government existing as debts against individual Indians or tribes of Indians, pursuant to the act of July 1, 1932 (47 Stat. 564); to the Committee on Interior and Insular Affairs.

1767. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 10, 1958, submitting a report, together with accompanying papers and illustrations, on a review of reports on Port Aransas-Corpus Christi Waterway, Tex., requested by resolutions of the Committee on Public Works, House of Representatives, adopted September 27, 1951, and June 27, 1956 (H. Doc. No. 361); to the Committee on Public Works and ordered to be printed with four illustrations.

1768. A letter from the Attorney General, transmitting the report of the activities of the Department of Justice for the fiscal year ended June 30, 1957; to the Committee on the Judiciary.

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. HALEY: Committee on Interior and Insular Affairs. S. 864. An act to provide for the transfer of certain lands to the State of Minnesota; without amendment (Rept. No. 1585). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 9232. A bill to amend section 73 (1) of the Hawaiian Organic Act to authorize the commissioner of public lands to amend existing land patents in hardship cases by removing the restrictions contained therein which have run for 10 or more years; with amendment (Rept. No. 1586). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 11123. A bill providing for the extension of certain authorized functions of the Secretary of the Interior to areas other than the United States, its Territories, and possessions; with amendment (Rept. No. 1587). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee of Conference. S. 497. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; without amendment (Rept. No. 1588). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LESINSKI:

H. R. 11768. A bill to authorize the construction of certain public works for flood control and other purposes on the Rouge River, Mich.; to the Committee on Public Works.

By Mr. ANDREWS:

H. R. 11769. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to make the transitional parity formula inoperative for basic agricultural commodities for 1958; to the Committee on Agriculture.

H. R. 11770. A bill to provide for the construction of post-office buildings in local communities where the residents purchase bonds in an amount sufficient to finance the construction cost, and for other purposes; to the Committee on Ways and Means.

H. R. 11771. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. BLATNIK:

H. R. 11772. A bill to amend the Social Security Act and the Internal Revenue Code so as to increase the benefits payable under the Federal old-age, survivors, and disability insurance program, to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

H. R. 11773. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas; to the Committee on Education and Labor.

H. R. 11774. A bill to provide for unemployment reinsurance grants to the States to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. BYRD:

H. R. 11775. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

H. R. 11776. A bill to provide for the national security through programs designed to increase the number of students in mathematics, science, engineering, and modern foreign languages in institutions of higher education; to provide additional facilities for the teaching of such subjects; to assist teachers to increase their knowledge; and for other purposes; to the Committee on Education and Labor.

By Mr. CUNNINGHAM of Iowa:

H. R. 11777. A bill to enable the States to provide an additional 26 weeks of unemployment compensation for individuals who exhaust their benefit rights under existing State law; to the Committee on Ways and Means.

H. R. 11778. A bill to amend the Social Security Act to reduce, for purposes of old-age and survivors insurance benefits, the age requirement from age 65 to 60; to the Committee on Ways and Means.

By Mr. DEROUNIAN (by request):

H. R. 11779. A bill to amend paragraph 1798 of the Tariff Act of 1930, as amended, to permit residents of the United States who are engaged in transporting persons or property between the United States and foreign countries to bring into the United States articles for personal or household use free of duty; to the Committee on Ways and Means.

By Mr. IKARD:

H. R. 11780. A bill to amend the Internal Revenue Code of 1954 to exempt from the manufacturers excise tax certain automobiles furnished without charge to schools for use in driver training programs; to the Committee on Ways and Means.

H. R. 11781. A bill to amend the national defense amendment, and for other purposes; to the Committee on Ways and Means.

By Mr. MILLER of California:

H. R. 11782. A bill to amend the Administrative Procedure Act with respect to public statements of Federal agencies which tend to discredit; to the Committee on the Judiciary.

By Mr. NEAL:

H. R. 11783. A bill to extend for 1 year the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. YOUNGER:

H. R. 11784. A bill to amend the Civil Aeronautics Act of 1938 in order to authorize free or reduced rate transportation for retired employees of air carriers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GRAY:

H. R. 11785. A bill to strengthen the national defense, advance the cause of peace, and assure the intellectual preeminence of the United States, specially in science and technology, through programs designed to stimulate the development and to increase the number of students in science, engineering, mathematics, modern foreign languages, and other disciplines, and to provide additional facilities for the teaching thereof; to promote the development of technical skills essential to the national defense; to assist teachers to increase their knowledge and improve their effectiveness; and for other purposes; to the Committee on Education and Labor.

By Mr. HALE:

H. R. 11786. A bill to exempt from chapter 61 (relating to lotteries) of title 18, United States Code, bingo and similar games conducted by nonprofit organizations and associations; to the Committee on the Judiciary.

By Mr. KEARNS:

H. R. 11787. A bill to amend the District of Columbia Unemployment Compensation Act, as amended; to the Committee on the District of Columbia.

By Mr. QUIE:

H. R. 11788. A bill to amend the Internal Revenue Code of 1954 so as to establish an initial program of tax adjustment for small and independent business and for persons engaged in small and independent business; to the Committee on Ways and Means.

By Mr. VINSON:

H. R. 11789. A bill to provide uniformity in certain conditions of entitlement to reenlistment bonuses under the Career Compensation Act of 1949, and for other purposes; to the Committee on Armed Services.

By Mr. BOGGS:

H. R. 11790. A bill to amend section 209 of the Highway Revenue Act of 1956 to remove the limitation on apportionments for the Interstate System and to make it clear that the highway trust fund may not be used to pay administrative expenses of any Federal agency other than the Bureau of Public Roads; to the Committee on Ways and Means.

By Mr. METCALF:

H. R. 11791. A bill to authorize the Secretary of Agriculture to provide varied commodities to schools and institutions and for needy persons and families out of funds appropriated for diversion of surplus agricultural commodities; to the Committee on Agriculture.

By Mr. MOULDER:

H. R. 11792. A bill to provide equitable treatment for producers participating in the Soil Bank program on the basis of incorrect information furnished by the Government; to the Committee on Agriculture.

By Mr. ROGERS of Florida:

H. R. 11793. A bill to amend title V of the Housing Act of 1949 to authorize loans for the acquisition, construction, improvement, repair, alteration, or replacement of dwelling accommodations and related buildings and structures for the use of migratory farm laborers, and for other purposes; to the Committee on Banking and Currency.

By Mr. CELLER:

H. Con. Res. 304. Concurrent resolution to express the sense of Congress on the importance of the economic development of India; to the Committee on Foreign Affairs.

By Mr. MILLS:

H. Con. Res. 305. Concurrent resolution providing for printing additional copies of general revenue hearings; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to National Guard armories in California; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to Federal accounting practices; to the Committee on Government Operations.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the location of a sea water conversion plant in southern California; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to imported tuna; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DENT:

H. R. 11794. A bill for the relief of Mary Prinsi Abore; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 11795. A bill for the relief of Salvatore Failla; to the Committee on the Judiciary.

By Mr. PATMAN:

H. R. 11796. A bill for the relief of Owen C. Osborne; to the Committee on the Judiciary.

H. R. 11797. A bill for the relief of James M. Chism; to the Committee on the Judiciary.

By Mr. REED (by request):

H. R. 11798. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Clayton M. Jones and Aimee Jones under the Federal Tort Claims Act for monetary damage suffered as a result of alleged negligence of the Director of the United States Geological Survey; 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:

508. By Mr. NIMTZ: Petition of Erma Hochstetler and 273 other citizens of Bremen, Ind., and vicinity urging the passage of legislation to remove alcoholic beverage advertising from the channels of interstate commerce and to prohibit its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

509. Also, petition of Mrs. Milo Stump and 507 other citizens of Goshen, Ind., and vicinity, urging the passage of legislation to prohibit the transportation of alcoholic beverage advertising in interstate commerce, and its broadcasting over the air; to the Committee on Interstate and Foreign Commerce.

510. By the SPEAKER: Petition of P. E. Fuller and others, Ann Arbor, Mich., requesting passage of H. R. 1008, H. R. 4523, and H. R. 4677, pertaining to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Additional Economic Aid to India

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. CELLER. Mr. Speaker, I have today offered a resolution paralleling that offered by Senators JOHN F. KENNEDY, of Massachusetts, and JOHN SHERMAN COOPER, of Kentucky, to help save India's now imperiled 5-year economic plan. India is in bad straits financially and is in desperate need of hard currency. India must have outside capital for industrial expansion. It is incumbent upon the United States to come to her aid and we must do so now. We must help her with loans that may be of a very substantial amount—loans beyond the $225 million already authorized this year.

India has a 5-year plan to insure her democratic way of government. If this plan fails, it bodes ill for the West and, particularly, for the United States. India's freedom and independence hinge upon the successful realization of this 5-year plan. If it fails, the people of India may lose faith in democracy and turn toward communism and regimentation. Not only must we help India, but we must encourage other nations, such as Britain, France, West Germany, Canada, and Japan, to follow suit. We must also ease the Buy American provisions so as to permit India to buy in soft currency European markets with the moneys she recently borrowed from the Export-Import Bank.

The uncommitted peoples of the world are consciously watching the outcome of the free way of life in India as against the totalitarianism of Red China. The fruits each type of economy will bear will determine the ultimate direction many of these people will take. Our indifference to a possible failure of a free government to survive is the greatest gift we can give to communism and the communists.

It has been charged that India has been neutral and that those nations that are not with us are against us. This is a very unhappy and fallacious conception. Those critics of India fail to realize that we ourselves were neutral for over a century and followed Washington's admonition to keep out of foreign entanglements. We cannot now complain of a course of conduct which we ourselves followed. In truth and in fact, India has need of neutrality to enable her to remain independent. She has continued to remain free of the tentacles of Russian communism and Soviet Russia. India, under Gandhi's influence, followed by Nehru's leadership, has been a stanch advocate of peace. We should not let a nation that sacrifices so much for peace suffer because of economic difficulties. It would be unthinkable to permit 350 million people to go under, that is, succumb to the wiles and blandishments and machinations of Soviet Russia. Lending India an additional $500 million, let us say, would be one of the most positive steps the United States could take in the interest of freedom and peace.

Stepping Up of Community-Facilities Program To Provide Jobs

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include a copy of my weekly newsletter released March 24, 1958:

KEENOTES

(By Representative ELIZABETH KEE)

One of the most sensible plans offered in Congress thus far to provide useful and constructive jobs is the proposal to build needed projects by greatly stepping up the community-facilities program under the Housing and Home Finance Agency.

Under this proposal, which is now before both the House and Senate, about $2.5 billion would be made available for low-interest loans to help States, counties, and cities construct adequate public buildings, transportation and recreation facilities, municipal parking lots, sewage systems and disposal plants, water systems, public libraries, hospitals, streets and roads.

In many areas, urgently needed facilities of this type cannot be built because of the lack of financing. The idea of loans to local government agencies to get the projects under construction has considerable merit.

In the first place, many States, counties, and cities have plans already drawn. They could have actual construction under way with a minimum delay and thus put people to work at the earliest possible time if the proposal to finance these plans is favorably acted upon.

There already exists in Washington, within the Housing and Home Finance Agency, the Community Facilities Administration with qualified personnel trained to supervise a program of this type. Here again valuable time could be saved in translating projects into actual jobs and wasteful duplication of personnel avoided.

Local control would be maintained. There would be no necessity for regional and State-Federal offices to supervise and plan the program, such as was the case with public-works programs in the past.

Also—and this is important—the program would be channeled into areas with a substantial number of unemployed. This would assure that help is concentrated in areas where it is most urgently needed.

It is vitally important for Congress, in considering methods of bolstering the economy, not to go off on a wasteful, extravagant track. There are so many things that need to be done that we can confine the so-called pump-priming activities to useful, productive projects.

Another important consideration with this particular program is that it is on a loan basis. Local government agencies will be more inclined to channel funds into urgently needed, useful projects under the arrangement than they would be if only grants from the Federal Government were involved.

It is important that the loan rates be kept at an absolute minimum. This is necessary to encourage borrowing and to make repayment easier.

Almost every community in the country has obsolete facilities of some kind which need replacing or modernizing. A community facilities program, backed by adequate loan funds, can play a key role in getting people back to constructive work on projects that can serve the needs of our increasing population in the years ahead.

Lt. Col. Jacob E. Manch

EXTENSION OF REMARKS

OF

HON. BURR P. HARRISON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. HARRISON of Virginia. Mr. Speaker, this week our country lost a famous war hero. He was Lt. Col. Jacob E. Manch, United States Air Force, 10653A. Colonel Manch, one of the famed Doolittle Tokyo raiders, was killed in a T-33 aircraft Monday morning, March 24, 1958, while on a routine instrument training flight from Nellis Air Force Base.

Colonel Manch was one of the original 80 crewmen who took off from the aircraft carrier *Hornet*, April 18, 1942, to bomb Tokyo. He also saw combat action during the remainder of World War II and in the Korean conflict.

Colonel Manch was scheduled to attend the annual reunion of the Doolittle

raiders to be held next month in Las Vegas, Nev., where he was stationed. His death leaves 58 members of the original 80 alive.

His awards and decorations included the Distinguished Flying Cross, Air Medal, Chinese Distinguished Service Cross, and various campaign ribbons.

Colonel Manch was from Staunton, Va. He is survived by his wife, Lee M. Manch, Las Vegas, Nev., and his father, Martin G. Manch, 223 Lewis Street, Staunton, Va.

A Tribute to South Pasadena, Los Angeles County, Calif., on the 70th Anniversary of the City's Incorporation

EXTENSION OF REMARKS

OF

HON. GLENARD P. LIPSCOMB

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. LIPSCOMB. Mr. Speaker, the citizens of South Pasadena have celebrated this month the 70th anniversary of the incorporation of their city, which received its charter in March 1888. South Pasadena is located in the 24th Congressional District which I have the honor to represent, and I think it not inappropriate to pause for a moment and pay tribute to the stanch people of that city who are the proud owners of a modern and beautiful community, the home of some 20,000 inhabitants.

Only by studying the past can the present and future generations fully appreciate the many efforts and labors that go into the development of a successful community. In this connection, the thought expressed by Cicero that "Not to know what happened before one was born is always to be a child," is timely.

Although South Pasadena was not incorporated until 1888, it has had a long and colorful history which has been intimately connected with that of the city of Pasadena. Both the city of Pasadena and the city of South Pasadena have their origin from the old Rancho San Pascual—the Easter Day Ranch—named in honor of the day that 14,000 acres of the mission lands were deeded to a good and faithful teacher and nurse to the Indians of the area.

In 1843, the Rancho San Pascual served as a wedding gift to a Spanish military officer, who retained ownership until 5 years before the War Between the States, when Dr. John S. Griffin acquired the property. Dr. Griffin, a brother of the wife of the Confederate general Albert Sidney Johnston, turned over the management of the spacious ranch to Judge Benjamin S. Eaton, the man who has been given the title "father of Pasadena and South Pasadena." Judge Eaton played a prominent role in the growth of the Pasadena area and was a trusted adviser to the American settlers who crossed the continent and came to the old Rancho San Pascual in 1874 to start a new and promising life. These sturdy Americans called their community the Indiana Colony which was later renamed Pasadena, an Indian word signifying crown of the valley. Paying $30 an acre for the ranch they set out citrus fruits and grapes on most of the land since the climate was mild and conducive to such crops. Such a venture would of necessity be difficult, and the hardships at the beginning were many.

Life in the colony was rather primitive. Bear and deer were continually raiding the vineyards. Coyotes snooped around the stores and post office. Dogs chased wildcats down Colorado Street. Tiburcio Vasquez, the bandit, made occasional raids.

Despite obstacles, the settlers succeeded in overcoming the temporary delays of growth and went on to surmount the unsurmountable. In the booming eighties new businesses sprang up in the community, and even President Hayes and Gen. William T. Sherman visited South Pasadena during their trip to the West.

The year 1888 represents a landmark in the history of South Pasadena, for it was in March of that year that the community was incorporated as a city in its own right. Donald M. Graham served as the first mayor and Frank M. Glover was the first postmaster. The post office, established November 28, 1882, was originally designated Hermosa, meaning sister. The name was changed to South Pasadena on January 8, 1884.

South Pasadena had yet to face the lean years of the nineties, when most of the stores and shops were forced to close, resulting from the depression at that time. If one wanted a haircut he would have to journey to Los Angeles because even the barbershops were closed. Undaunted, the citizens shot back, and at the turn of the century South Pasadena was well on its way to recovery

A former mayor of Los Angeles once remarked, in 1885, that "he would not have paid 25 cents an acre for Rancho San Pascual." If he could see the city of South Pasadena that exists today, in the 20th century, he, no doubt, would hasten to revise his earlier valuation.

South Pasadena is a model city and a living tribute to its founders and their descendants, the citizens that live there today. South Pasadena is a clean, healthy and vigorous city striving to move with the times in an effort to continue its growth and development. This is evidenced by the fact that there is under way a redevelopment project which will provide for approximately 600 lots for residential construction.

The community has an efficient local government based on a city council and city manager system. The local authorities are headquartered in a completely modernized city hall from which they administer to the needs of the city.

South Pasadena budgets over a million dollars a year to pay for the operation of its government and to provide for services to its resident. Included among the many services provided are a police department which is noted widely for its excellence, a fine fire department, and up-to-date sanitation facilities.

There are 3,000 children attending the local schools which have been modernized and are considered second to none. The people are proud of the excellent public library located in the city.

The city has light manufacturing industries, as well as numerous fine stores with a wide variety of merchandise to support its economy. There are beautiful churches, scores of acres in public parks maintained by the city, and a number of civic and patriotic organizations serving the city, the State, and the country.

In time of war and other national crises, the South Pasadenans have contributed more than their share in supporting the various policies laid down by the National Government in seeking to put down the enemies of our country. The young men of South Pasadena have donned the uniform of Uncle Sam in the major conflicts, while those on the home front have contributed in the various drives and assisted in the many national-defense efforts.

On this occasion, the commemoration of South Pasadena's 70th anniversary as an incorporated city, I salute its progressive citizens and offer my sincere congratulations for a job well done.

Drs. Corbett H. Thigpen and Hervey Cleckley

EXTENSION OF REMARKS

OF

HON. E. L. FORRESTER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. FORRESTER. Mr. Speaker, the March 28, 1958, issue of the Columbus Enquirer, one of the South's leading daily newspapers, carried an editorial written by its able editor, Hon. W. C. Tucker, praising the Thomasville, Ga., girl Joanne Woodward for her superb performance in the movie, The Three Faces of Eve, which resulted in her receiving the Oscar as the best actress of the year.

Mr. Tucker pointed out this great movie was a product of Georgians; that Nunnally Johnson, a Columbus, Ga., boy directed and produced that picture. While, of course, Nunnally Johnson is well known for his outstanding ability over the years, Joanne Woodward is a newcomer and probably rose to the heights of her profession as quickly as any actress has ever done.

Mr. Tucker points out another illuminating fact for this movie was based upon an amazing accomplishment by Drs. Corbett H. Thigpen and Hervey Cleckley, both Georgians and both psychiatrists, practicing at Augusta, Ga. These two physicians, through amazing skill, patience, and dedication to humanity, did what was considered an impossible thing when they healed the distorted mind of a young woman schizophrenic with three distinct personalities, and proved that many more unfortunate human beings can be cured.

Mr. Speaker, Joanne Woodward deserved her award and Nunnally Johnson has richly earned all of his great reputation. Somehow it would seem that Doc-

tors Thigpen and Cleckley would have their "Oscars," too. Their work and successes over the years if put into a book would make even a greater book than did The Three Faces of Eve. These men have given their lives to healing sick minds. Working in a building, not as good as many barns, at the University of Georgia Hospital and without equipment worthy of the name, and without public assistance, they have brought a new day to the mentally ill in Georgia and surrounding States. Few days pass, if any, that they do not send back to their homes and loved ones as cured men and women that other outstanding psychiatrists had marked off as incurable.

What I am saying about these two doctors is based upon personal knowledge, and I marvel over the possibilities which these good men could accomplish if they had the buildings, equipment, and money necessary to carry on their work. These gentlemen have already exploded many farcical, but pet theories that psychiatrists have considered established, and these gentlemen have told me repeatedly that they veritably believe that some day insanity will be cured by injections or shots.

Mr. Speaker, editor Tucker was writing in a field that he has pioneered in, and maybe no newspaper editor has written more articles concerning mental health than he has done. His wife, Miss Daisy, has dedicated herself to this splendid work and they have done much toward arousing people to the fact that many types of insanity are being cured, and that other types can be cured if we will all enlist in the fight. Those people who are dedicating themselves to the task of selling the people on the idea that insanity can be cured should have their "Oscars" also.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my weekly newsletter of March 29, 1958, as follows:

WASHINGTON REPORT

(By Congressman BRUCE ALGER)

Appropriation bills totaling $10,177,000,000 comprised the bulk of the legislative week. The military-pay bill provided $668 million, increased pay for the 370 pay scales of enlisted men and officers. Proficiency pay, stressed by the Cordiner report, dominated the reapportionment. The Labor Department ($388 million) and Health, Education, and Welfare Department appropriations totaled $2,962,000,000 and the independent offices appropriation amounted to $6,549,000,000. These added to the pay bill total $1,612,000,000 over the budget. The economy drive is long forgotten. Spending themes change: "We must economize" (last year, the big budget); "It's necessary for defense" (postsputnik) "We must combat recession" (today's). The New Deal spirit remains in this Democrat-controlled Congress. The administration keeps trying to decelerate the new, or old, spending philosophy. Generally, these bills reflect the policy of spending as much or more than usual, instead of the belt tightening some of us expected because of increased military needs and the huge budget.

"Fighting the depression," the language used in the committee report accompanying the independent offices appropriation bill, is not only an incorrect allusion to this Nation's current economic health, but was the incorrect excuse given for some of the appropriations. Each year funds under this heading are voted to operate for another year various Government agencies including the Federal Home Loan Bank Board, the General Services Administration, Housing and Home Finance Agency, Civil Service Commission, Civil Defense Administration, Veterans' Administration, National Science Foundation, and others. This choice of language by national legislative leaders, indicating a belief in the accomplished fact of nationwide depression, was more than I could let stand unchallenged. I flatly challenged and contradicted the depression talk with facts and figures about our current economic situation (see last week's newsletter). To my contradiction the answer provoked from the subcommittee chairman (Mr. THOMAS, of Texas) was again, "We are in a very serious depression."

The story of free enterprise shall continue to be my contribution in contrast to such depression talk, and the facts are on my side. Each day in Congress on the floor, I shall continue to give a story tied to facts of the greatness of the American free enterprise system, lest its truths be forgotten and die out buried by pessimistic talk. We must not talk ourselves into hard times. This is possible, since our economy rests on confidence in our free enterprise system. When that goes, we will be fully socialized by planned Federal Government, and the loss will be individual freedom replaced by a totally different society and Government. Now we hear cries for more Federal spending—and big tax cuts. This is have your cake and eat it, too. Sure, Congressmen can spend the taxpayers' money, that's easy; but it won't cure hard times if hard times come. Rather, heavy Federal spending, as the medicine, can kill the patient.

The stories of free enterprise are legion, and the analogies are equally illuminating: The farmer who tried to cure his mule with turpentine and killed it (Federal aid for prosperity?); the hotel owner, worried over recession because he turns away only 200 a week instead of 300 as last year; the rooster who thought his crowing made the sun rise (Congressmen with pet schemes to spend us to wealth?); the monkey, who, to balance the cheese on the scales for each cat, alternately nibbled each cheese until all was gone (Government's effect, redistributing tax money?); the cyclone cellar attitude of our people whose savings now soar as they choose to await better prices (is this hard times?); or when people hear a siren, they think there's a fire before they see the smoke (people hear, believing or not, the politicians' dire alarms); and finally this gem:

"In the economic realm, you cannot legislate the poor into freedom by legislating the wealthy out of it. You cannot multiply wealth by dividing it. Governments cannot give to people what they do not first take away from people. And that which one man receives without working for, another must work for without receiving it. And nothing can kill the initiative of the people quicker than for half of them to get the idea that they need not work because the other half will feed them, and for the other half to get the idea that it does no good to work since someone else receives the rewards of their labors. Closing one's eyes to these facts will not change them one iota."

As I see it, Government cannot secure our futures. Food, clothing, housing, our financial and personal needs cannot be provided by Federal constitutional government. Further, as Mike Todd said, "Being broke is one thing, that's being out of money, and I've been broken often. Being poor is something else, that's a state of mind." America is built on the philosophy of Mike Todd. Instead of wringing our hands, we should count our blessings and be thankful.

Addresses at 32d Annual Dinner of the Amen Corner, Pittsburgh, Pa.

EXTENSION OF REMARKS

OF

HON. EDWARD MARTIN

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, March 31, 1958

Mr. MARTIN of Pennsylvania. Mr. President, last Saturday in Pittsburgh the Amen Corner, a unique organization of business and professional men of the southwestern part of Pennsylvania, held their 32d annual dinner in the Penn-Sheraton Hotel.

This is a nonpolitical organization, but one very desirous of knowing things relating to our Government and our way of life.

At Saturday night's dinner our distinguished colleague, the Senator from Utah [Mr. BENNETT], spoke on the subject Men and Money. It was a very learned discussion of an important subject, and I ask unanimous consent that the address be printed in the CONGRESSIONAL RECORD, along with my introductory remarks.

There being no objection, the introductory remarks and address were ordered to be printed in the RECORD, as follows:

INTRODUCTORY REMARKS OF SENATOR MARTIN OF PENNSYLVANIA

My fellow Americans, I am deeply grateful for this opportunity to welcome to the great city of Pittsburgh two of my distinguished colleagues of the United States Senate.

They come from widely separated sections of our country—the Honorable WALLACE F. BENNETT, from the Beehive State of Utah, and the Honorable GEORGE A. SMATHERS, from Florida, the Sunshine State.

Let me say to you, WALLACE, and to you, GEORGE, that we are highly honored to have you with us tonight.

Our guests represent both sides of the aisle in the Senate Chamber. They differ in their approach to many of the issues that come before the Senate, but both are able, sincere, and constructive statesmen, dedicated to the ideals of patriotic Americanism. Each battles courageously for the principles which he believes will best advance the strength and progress of the United States and the welfare of our people.

It is my good fortune to serve with both of these great Americans as fellow members of the Senate Committee on Finance. This, as you know, is the taxwriting committee, which I regard, with all due modesty, as the most important committee of the Senate.

It is a hard-working committee, grappling day after day with legislation dealing with intricate fiscal and monetary problems, taxation, national debt, and related questions of importance to our economic stability.

Out of that close and friendly association with WALLACE BENNETT and GEORGE SMATHERS

I have learned to respect and admire their outstanding ability and their devotion to the public interest.

Our first speaker is a veteran of World War I. He is a Republican but his public service is not bounded by narrow partisan considerations. He is one of those rare individuals whom nature has endowed with the finest qualities of leadership. He is a successful businessman who finds time in his busy career for active participation as an official of the Mormon Church. He has served as president of the National Association of Manufacturers and other business organizations of national importance. In Salt Lake City he has served as president of the Rotary Club and of the Salt Lake Community Chest.

He was elected to the Senate in 1950 and reelected in 1956. In addition to his duties on the Finance Committee he serves with equal distinction as a member of the Committee on Banking and Currency.

He is a profound student of monetary and fiscal policies as they affect the national welfare and has chosen for his topic tonight Men and Money.

My fellow Americans, with pride and pleasure I present my friend and colleague, the distinguished Senator from Utah, the Honorable WALLACE F. BENNETT.

MEN AND MONEY

(Address by Senator WALLACE F. BENNETT at the Amen Corner, Pittsburgh, Pa., March 29, 1958)

I hope my title didn't lead you to expect me to discuss the proposed Government programs to cure the present recession. You can read all about them in the papers, and I hope that most of them will be rejected. I want to take a longer look at the problem and end up with the hope that we can firmly find the right way to handle all recessions and particularly, the next one, for there will be another one. The policies we have been using to cure the last three will make sure of that.

In the 1930's we faced and finally survived a great depression. It was not the first in our history but our leaders of that period determined it would be the last, that the painful lessons of those troubled years would enable us to so manage the economy that we would be able to control the business cycle and prevent future economic catastrophes. Of course, their program didn't cure that one. It required the shock treatment of war to do that, but they were sure that once we got on our economic feet, it would keep us healthy. They had great faith in what they called economic stabilizers and in new powers they gave to the Federal Government.

The war ended in 1945 and every 4 years since, we've had an old-fashioned dip in the economic cycle—1949, 1953–54, and 1957–58. Through most of their period we've had a rising debt level and a rising wage and price spiral of inflation—together with a rising cost of Federal Government and expanding Federal power. Now here we are again with another recession and the politicians are calling for the same old formula of still more debt, higher wages, more Government spending. Each time we come around the cycle to the dip the dosage has to be increased and the costs in money, deficits and inflation rise. It's pretty obvious that the treatment of each new outbreak of the disease helps set the stage for the next one.

Don't you think it's about time we took a new look at the whole set of antidepression remedies to see what's wrong with them and what kind of treatment to suggest in their place?

Before we start, let's review the essential features of our body economic, so that we can relate the treatment to it. Any such list must include these, which might be called the vital organs—

1. The private accumulation and ownership of capital.

2. Individual freedom in the spending or investment of one's own time and money.

3. The greatest practical freedom of competition.

4. In other words, a competitive economy based on private ownership of wealth, operating in a free market.

As a balancing corollary, this assumes a minimum interference of government in the economy, or did once.

The first and basic principle of the antidepression program that grew out of the experience of the thirties made a basic change in these assumptions. It projected the idea that the Government had powers beyond those of the individual citizen which could be used to save him from himself, or the downswing of the cycle. This has been translated into a series of beliefs which today in our third postwar recession look more like patent medicines than true economic antibiotics. They may hide the symptoms, but the disease still recurs regularly. Among these I have noted are those I think are most important:

1. A belief that in spite of what the Constitution says, by some magic today's Federal Government has acquired economic powers that the citizens themselves cannot possess, and that these powers can restore prosperity.

2. A belief that the Government can operate to create wealth out of air and provide new money that will help the needy citizen without costing him anything.

3. A belief that such Government powers and money can "prime the pump" or wind the economic clock and that once started by Government the private economy will run itself fast enough to pull out of each new economic recession.

4. A belief that if we just used them properly a whole series of so-called economic stabilizers have been provided which can operate to fill in the valleys of the cycle (which is good) without leveling the peaks (which is bad). Included in these are:

(1) Government lending or loan guaranty programs.
(2) Federal public works.
(3) The Full-Employment Act.
(4) The laws protecting trade unions.
(5) Unemployment insurance.
(6) Social security.
(7) Bank deposit insurance.
(8) Easy money.

5. In short—since Government has the power to make or repeal laws—it was apparently assumed that it can nullify those traditional economic laws that have played a part in the business cycle—such as the law of supply and demand—and the law that for every action there is an equal and opposite reaction. We once believed that when these basic laws are violated—either in ignorance, or deliberately—they produced unpleasant consequences. What a wonderful idea to replace them with new laws without consequences.

ECONOMICS WITHOUT TEARS

We've tried this new system now for a dozen years and we are reluctantly beginning to discover that the old laws were not eliminated after all, and the consequences of their violation are still inevitable. By manipulation we can postpone the day of reckoning, but when we do that, the price seems to get even higher and to include a kind of economic cumulative interest.

Isn't it about time we regained our faith in the essential vitality of our basic free economic system and consider letting it heal itself? Maybe after all it is like the common cold—you can stuff it with antihistamines and it will go away in 2 weeks, or you can leave it along and it will disappear in 14 days. The best thing to do is to avoid catching it—no excesses, no overeating, overheating, wet feet, or drafts.

There is another and related area in which the depression doctors worked—the field of money. Money and its source and use is still a mystery to most of us and here we can easily be fooled. Indeed, most of us want to be fooled because it holds out such a glittering hope. But too often the ideas we have about it are "fool's gold." Included among them are these:

1. That money itself is wealth. It is from this delusion that the idea of Government power to increase wealth comes, since the Government creates money. As a natural extension of this fallacy some men in every generation have believed that the Government could make us all rich—just by increasing the money supply. Unfortunately there are still some such men in high places today.

The fact is of course that money merely represents wealth otherwise created and when we double its volume we merely cut the purchasing power of each piece in half.

2. Equally dangerous is the idea that debt creates wealth—or that it is the same thing as saved capital. On that false premise we are told that the key to prosperity is low interest rates which will encourage new debt and thus new spending power. That may be true for a day or a month—but for every heightened volume of business produced when debt is increased there must be a balancing period of lower spending while it is being paid back—plus interest. Debt mortgages the future for the present. And finally, when I listen to all the clamor for easier money to encourage more debt, I think of an old saying from a more peaceful time—"You can lead a horse to water, but you cannot make him drink."

3. These so-called modern ideas about money and debt haven't solved the problems of any previous business cycle but they have established one plain historical fact—inflation. We have had a more or less constant rise in prices for a generation which has obscured and distorted the true economic picture. One of the functions of the old-fashioned recession was to squeeze the water out of inflated prices but the new "economic stabilizers" have prevented that and economy is now enduring the ravages of both diseases at once—a most dangerous portent for the future.

What do we do now? If Government with its powers can't control the economic cycles, who can? Are we to be left to our own devices? Yes, I hope we are. It's a good thing and about time too. For as Shakespeare said through the mouth of Cassius, "The fault, dear Brutus, is not in our stars but in ourselves."

An economic system like ours can only work well for men who are worthy of it—free markets for free men. And as the Founding Fathers so well knew, only men of spiritual maturity, who are capable of wise decisions based on a sound sense of values, are worthy to be free. Such men had courage—courage to make their own choices and accept the consequences of their mistakes. Of course there were some rascals among them, as there are today—but in the strength of their liberty they not only built a great free Government but they made their people the richest in all history. In the face of the record which system should we trust: free men in a free market or built-in stabilizers that just don't seem to work—that replace freedom with rigidities?

Of course, this is easy to say and hard to set in motion. In the end our weakness in terms of impatience, greed, and overreaching excesses create the peaks in the economy that are not soundly based on increased productivity and saved capital, and our fears tempt us to other and more personal illusions in addition to those we hold about Government and money. In all of this we must find strength to overcome:

1. We must abandon the idea that if we are smart we can get more out of life than we put into it—something for nothing.

2. Too many of us prefer security to freedom and measure security in materialistic terms. We must learn that freedom is the only true security.

3. We have been blinded by inflation—or accept it with open eyes—believing we can ride it to riches. We must open our eyes to the truth that we cannot have sound economic men without sound money.

4. Finally, too many of us think that money can buy us freedom from personal responsibility as men in Civil War times bought substitutes for service. Pericles, the great Athenian, had the answer to that. He said, "The secret of liberty is courage."

WHAT DO WE DO, AND WHEN DO WE START?

For ourselves the challenge is to truth-facing repentance and an acceptance of increased responsibility in every phase of our personal activity. In the end, the men presently unemployed must have jobs, which only men like you must provide, either directly in your businesses or indirectly by Government with money taken from you in taxes. If prices are to be stabilized, you must do it. If the rigidities of the market are to be broken up, you must do that, too.

But one convulsive effort is not enough. There is already one whole generation of Americans whose education was based on these faulty economic theories. Today, thanks to sputnik, we as a people are interested in reviewing and beefing up our educational process. While we're at it we should be concerned not merely with science, but with the more important goal of turning out citizens possessing balanced maturity which must particularly include spiritual as well as economic and political soundness.

When do we start? We can't start now, you say; we're in a recession and we've got to cure that first. Permit me to observe that we've demonstrated that we are too complacent to worry about it when times are good. It's the old story of the hillbilly and his leaky roof.

Maybe Shakespeare has the answer to this one, too. Let's fit two quotes together. The first is from As You Like It and reads:

"Sweet are the uses of adversity,
Which, like the toad, ugly and venomous,
Wears yet a precious jewel in his head."

The other leads us back to Brutus—I am sure you remember it:

"There is a tide in the affairs of men
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries."

There is no time to lose. If we keep on as we are, the next recession will be inevitable, and will probably be much worse.

Mr. MARTIN of Pennsylvania. Mr. President, the distinguished Senator from Florida [Mr. SMATHERS] discussed the railroad problem. The Senator has made a very deep study of this important problem as it relates to our country and the American way of life. I am very sorry that I cannot offer his fine address for the RECORD as he has some further development to make relative to it.

I had the honor of introducing my distinguished colleagues, and I ask unanimous consent that my introductory remarks may be printed in the RECORD.

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

INTRODUCTORY REMARKS OF SENATOR MARTIN OF PENNSYLVANIA

Our next speaker, Senator SMATHERS, is a Democrat who is held in the highest esteem, not only by his colleagues of his own party but also by those of us who are affiliated with the Republican Party.

While there are times when we do not see eye-to-eye on problems that come before us I have always been deeply impressed by his sincerity, his unselfish concept of public service, and his tremendous capacity for hard work.

Born in Atlantic City, N. J., he has been a resident of Miami, Fla., since his early boyhood. He prepared for a legal career at the University of Florida and has risen to prominence in his chosen profession. He was an assistant United States attorney in 1942 when he resigned to join the Marine Corps. Upon his discharge in 1945 he was appointed a special assistant to the Attorney General, resigning from that post in 1946 to campaign for Congress.

He came to the Senate in the 80th Congress bringing a background of legislative experience gained in two terms of service in the House of Representatives.

Here, in this greatest industrial area of the United States, we are deeply interested in his work as chairman of a Senate subcommittee now engaged in investigating the transportation systems of the United States. This is of extreme importance to us because Pittsburgh, with its great diversity of heavy industry, is one of the great railroad centers of America.

From our earliest days the improvement of transportation has been a powerful factor in our development across the plains of the Middle West to the slopes of the Pacific. To maintain the American way of life our transportation systems must be kept financially sound.

There should be coordination among the railroads, the waterways, the highways, and the airlanes. We have need of all these facilities.

To this problem our speaker has directed his attention with all of his courage and vigor. The subject of his talk tonight is the railroad problem.

My fellow Americans, with extreme pleasure I present my friend and colleague, the able and distinguished Senator from Florida, the Honorable GEORGE F. SMATHERS.

Mr. MARTIN of Pennsylvania. Mr. President, I also ask unanimous consent to have printed in the RECORD my address at the annual dinner of the Amen Corner.

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

ADDRESS BY SENATOR MARTIN, OF PENNSYLVANIA, AT THE 32D ANNUAL DINNER OF THE AMEN CORNER, PITTSBURGH, PA., MARCH 29, 1958

I am highly honored by your invitation to address this distinguished organization of leaders in business, industry, and the professions.

The Amen Corner is truly representative of the greatness of southwestern Pennsylvania and its vast contribution to the economic strength of our Nation. Year after year your membership has been steadfast and loyal to the ideals that have made America the greatest nation of all history.

We are approaching a time of deep religious significance and it seems appropriate to recall that our Republic was established on the sacred principles of religious faith.

The courageous men and women who built the foundation of American freedom believed that each human being was created in the image and likeness of God. They held the sincere belief that freedom of the individual is God's greatest gift to mankind. They turned to the Holy Bible for guidance in their daily lives.

Supporting this background of religious faith we have the great legal pronouncement of the Supreme Court of the United States in which it was stated:

"This is a religious Nation."

These words express the eternal truth that the American Republic was founded on the principles of religion. They were spoken by Mr. Justice Brewer when he delivered the opinion of the Court in the case of the *Church of the Holy Trinity* v. *the United States*.

That opinion marks a great milestone in the judicial and religious history of the United States. It should be read by all true Americans during this critical time. It points out that one of the great elements of American strength—the spirit of tolerance and good will under which many faiths and creeds live together in peace and harmony, respecting the right of each individual to "life, liberty, and the pursuit of happiness."

The problem which gives us so much concern today would disappear if all of us lived by the Golden Rule and the teachings of the Sermon on the Mount.

We meet tonight to discuss the steps we must take in order to preserve and strengthen the freedoms and opportunities offered by the American way of life.

In considering the dangers to our country we think of Russia's military power and her advance in scientific achievement. We think about the menace of inflation and its damaging effect upon all classes of our citizens. We think about the current decline in commercial and industrial activities and the increase in unemployment.

In regard to our economic situation I have a suggestion which I offer for your consideration. It is this:

We will not make real progress toward economic recovery and we will not give constructive aid to the unemployed so long as we continue to surround Government spending with an atmosphere of political pressure and political maneuvering.

The Nation does not gain in any respect when some Members of Congress—and I include both parties—try to outbid each other to prove that they are more deeply concerned with the plight of the unemployed than any one else.

I believe we are in danger from those who seize upon unemployment as a political issue to be exploited for partisan advantage.

For many years I have advocated the expansion of proper public works in periods of economic recession. In the present session of Congress I have supported increased appropriations for highways, river and harbor improvements, post office construction, and other projects which will bring long range benefits of a lasting character. These are sound investments in the future of our country.

At the same time I approach with extreme caution every proposal that would add fuel to the fires of inflation and would further depreciate the value of the American dollar.

There are many who favor a tax cut as the way out of our present difficulty but we must bear in mind that when a tax reduction is accompanied by greatly increased spending the inevitable result is bigger deficit financing. That means more inflation, adding to the burden imposed by high prices upon the employed, the unemployed and those who live on annuities, pensions and other fixed incomes created by industry and thrift.

I do not think there is a single man in this meeting who expects economic conditions to be improved overnight by any action of the Government—either by the Congress or by the executive branch.

It has been pointed out over and over again that progress in this country depends far more upon what people do for themselves than anything that Government does or can do for them.

The fundamental soundness of our economy is shown by the fact that the income of Americans during February 1958 was the highest for that month in the history of the Nation. The rate of individual savings is close to the highest peacetime level. We need more buying in the United States, but

constantly rising prices have retarded purchases. Increased consumer demand would be more effective than anything the Federal Government can do to restore business activity.

In our present situation it would be most helpful if management and labor would join in a sincere effort to bring prices down. Such a step would provide an incentive for increased buying and would have a great effect in restoring employment in many industries.

If this could be brought about it would demonstrate economic statesmanship of the highest order—the kind that made our country great and strong.

Select Committee Report

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following statement on the select committee report:

The Select Committee on Improper Activities in the Labor or Management Field submitted a report on its first year of work during the past week. The gist of this summation was that reform by law was imperative in five areas of labor and business activities. These major recommendations were as follows:

1. Legislation to regulate and control pension, health and welfare funds;
2. Legislation to regulate and control union funds;
3. Legislation to insure union democracy;
4. Legislation to curb activities of middlemen in labor-management disputes;
5. Legislation to clarify the "no-man's-land" in labor-management relations.

The committee indicated that it had explored a number of other areas in labor-management relations and plans to present legislative proposals covering such matters at a future time.

Mr. George Meany, president of the American Federation of Labor and Congress of Industrial Organizations, called the report "a disgraceful example of the use of sensationalism in an attempt to smear the trade union movement." He further stated that he felt the committee had carefully avoided a similar indictment of management. I think Meany is right. There were reports of bribes and cutbacks. It takes two to commit such a crime—a giver and a receiver. Business and management were at times on the giving end. They should be likewise condemned; what is sauce for the goose should be sauce for the gander.

I cannot fully agree with the recommendations of the committee. This report covers very important fields—economic and human relations. Every man, woman and child in the United States will be affected by these proposals, if legislated into law, regardless of the status of the individual in the economic and social scale. Legislative recommendations of this far-reaching nature should be subjected to intensive scrutiny before adoption. A cursory reading reveals the report as a blanket indictment of labor and I sympathize with Mr. Meany in his distressed reaction. Any one familiar with the labor movement in this country surely realizes that to accuse it of "significant lack of democratic procedures," "flagrant abuse of power," and "widespread misuse of funds" is to libel many of the stalwarts who have faithfully and conscientiously guided the destinies of their organizations. True, some men who have achieved power in some of these unions have violated their trust, but why smear all labor leaders with these all-encompassing phrases? How about some of the unsavory records of big business in this country?

References are made in this report to charges that managements "have extensively engaged in collusion with unions" and that "management and their agents" have engaged in a "number of illegal and improper activities" in violation of the Taft-Hartley Act—but the language used in such notations is much less vituperative.

The committee has hedged its position somewhat by warning of the dangers of generalizations but the press, by and large, has seized upon the recommendations of the committee, headlined them, and the fact that not all unions or their leaders came under the watchful eye of this group was lost in the last paragraph on page 30 or in the graveyard section.

It might be well to point out that legislation has been pending which would apply equally to pension and welfare funds under union or management or joint control. Such legislation has had the support of organized labor, but management has opposed. This significant fact was not brought out in the report.

Responsible persons in the labor movement have long sought enactment of disclosure legislation with regard to pension and welfare plans. The AFL–CIO urged both parties at the 1956 conventions to add such a plank to their platforms. Neither party did so. A resolution directing the Secretary of Labor to make available to the public union financial statements, required under the present law, passed the Senate last year and is pending in the House.

The AFL–CIO has had codes of ethics dealing with union democracy and as of April of this year these codes were ordered mandatory. No similar action has been taken by business or by the bar associations, despite references made by the report to the baneful practices of some members of each group.

The request for legislation to "curb activities of middlemen in labor-management disputes" leaves the onus on labor and its representatives. This is regarded as an effort to absolve management from its share of any blame in this situation, by accusing middlemen. Under the Taft-Hartley Act, an "employer," by definition, includes any person or persons acting as an agent for an employer.

As to the so-called no-man's land in labor-management relations—the recommendation of the committee is unjustified. It is a legal question, which should be left to the proper legislative committees and to the courts.

As I mentioned previously, these recommendations, if enacted, will change the lives of all of us. The inauguration of such effects should not be undertaken lightly—or rapidly—particularly in view of the fact that one side of this issue seems to have been under a more intensive legislative searchlight than the other. The committee should goad itself to continue on to a more balanced analysis.

Bills To Protect Airline Passengers

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. MULTER. Mr. Speaker, on March 28, 1958, I introduced 2 bills, H. R. 11731 and H. R. 11732, to protect airline passengers against unfair reservation booking practices of airlines. Many instances of highly questionable practices have come to my attention and the public is being taken advantage of because of gaps in the present law.

These two bills would provide the following protection. If an airline confirms a reservation and that space is not available when the passenger presents himself to board the plane, the passenger may bring court action against the airline for damages. The award to the passenger would be a sum sufficient to include all actual loss or damage, plus twice the amount of the fare paid or $100, whichever is greater, plus a reasonable attorney's fee and court costs. This bill is designed to put a stop to overbooking, alleged to be a common practice on some airlines. In the event the passenger does not bring action within 2 years, the United States could bring the action against the carrier.

The second bill would require that airlines give a priority to passengers whose flights have been canceled or delayed. The CAB would issue regulations so that all passengers with confirmed reservations would have the opportunity of having first choice for available space on other flights of the airline to the same destination. In this way the airlines would be required to honor their prior commitments to their own passengers.

This legislation will not unduly restrict the airlines. On the contrary, if the airlines adopted such procedures and thereby provided a more satisfactory and reliable service, their business would probably improve.

Lead Pencil Industry

EXTENSION OF REMARKS

OF

HON. WILL E. NEAL

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. NEAL. Mr. Speaker, this is a small item, but one of hundreds of like industries being threatened by further tariff reduction. Since 1945, import duties on lead pencils have been cut by 50 percent. To reduce further these tariff rates would cause dire hardship to all facets of the American lead pencil manufacturing industry.

The lead pencil manufacturing industry of the United States, composed of 13 manufacturers, earnestly opposes legislative provisions that permit further reductions in import duties on pencils or pencil leads. The lead pencil industry is already at the peril point and must have for survival at least the present tariff protection for the following reasons:

First. The import duties in all important classifications of lead pencils have already been reduced a full 50 percent as permitted under earlier trade act amendments. In addition, it should be

recalled that the effectiveness of the remaining specific duty has been greatly weakened through years of monetary inflation.

Second. The industry's products are articles of prime essentiality and of strategic necessity.

Third. Since the industry continues in serious difficulty because of rising costs, loss of exports, and intense domestic competition, it is clear that a large influx of foreign pencils, which inevitably follow a further reduction in duty, would be fatal to American manufacturers.

Fourth. The American pencil industry cannot convert its main productive facilities into the manufacture of any other product: its machinery can be used only to make pencils.

Fifth. The total dollar volume of the American pencil industry is so small that if foreign-made pencils captured the entire domestic market the resulting benefit to international trade would be insignificant, yet American workers would lose wages in excess of $18 million each year, Government would lose annual industry taxes of more than $2 million, and a century old industry, essential to the Nation in time of war and peace, would be destroyed.

Cherry Blossom Princesses

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include a copy of my weekly newsletter released March 27, 1958:

KEENOTES

(By Representative ELIZABETH KEE)

Washington is the beauty capital of the Nation this week.

Reigning over the city are cherry blossom princesses from all the States and Territories. And one of the loveliest and most charming of all is West Virginia's princess, Miss Ann Baker Tierney, of Bluefield.

The presence of the princesses always assures the success of Washington's Cherry Blossom Festival, scheduled each spring to coincide with the blooming of the hundreds of Japanese cherry trees which border the Tidal Basin and grow with profusion in other parts of the city. Unfortunately, the weather man was unkind during the festival this year. The extremely cold winter, lasting into spring, has delayed the opening of the blossoms and the festival probably will be over before they make an appearance.

But one could not wish for a more colorful sight than that of the princesses gathered for one of the many events which occur during the festival. And with much State pride I can say that Princess Ann is the cynosure of all eyes at these functions.

All of us are tremendously proud of her and the wonderful, gracious manner in which she represents our State. She was selected for this honor by the West Virginia Society of the District of Columbia, and that group can certainly be proud of its choice.

Princess Ann is the daughter of Mr. and Mrs. Laurence Tierney, Jr., of Bluefield. She is quite an accomplished young lady. Only 23, she is a member of the board of directors of the Eastern Coal Corp., probably the only member of her sex to hold such a position in the coal industry in our country. Also, she is the owner-manager of Leatherwood Horse Farms in Bluefield, known throughout the South for the fine saddle horses it breeds and trains.

She is as good a horsewoman as she is a businesswoman. She rides and shows her 3- and 5-gaited horses on the summer horse show circuit throughout the South. Many blue ribbons won in these shows are on exhibit at Leatherwood Farms.

Princess Ann also conducts a school in horsemanship for youngsters at Leatherwood, starting the tots out on special ponies raised for that purpose on her farm.

She attended grade schools in Bluefield and later attended Sweet Briar College, Lynchburg, Va., and Holton-Arms College in Washington, from which she graduated in 1955.

For Members of Congress, deeply concerned with the economic recession, education, defense and other extremely serious matters, the week of the Cherry Blossom Festival provides a delightful diversion. The festival, with its many colorful and delightful events, affords official Washington an opportunity to relax and forget those things for a brief time. I am sure Washington will be a better place for having had the opportunity to participate in this festive occasion.

Certainly, those of us from West Virginia have been highly honored to show off our princess. She was been a big hit wherever she appeared. She completely captivated West Virginians at the West Virginia State Society reception held in her honor last Wednesday evening.

Princess Ann has strengthened our pride in our great State of West Virginia.

Fortieth Anniversary of the Independence of Byelorussia

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. FEIGHAN. Mr. Speaker, under leave previously obtained I insert in the RECORD my brief message delivered to the Byelorussian-American Association at the commemoration ceremonies held at the Ukrainian National Home in Cleveland on Sunday, March 30, celebrating the 40th anniversary of the independence of Byelorussia:

MESSAGE OF HON. MICHAEL A. FEIGHAN, 20TH OHIO DISTRICT, TO BYELORUSSIAN-AMERICAN ASSOCIATION, CELEBRATING 40TH ANNIVERSARY OF THE INDEPENDENCE OF BYELORUSSIA

Dear friends: It is an honor for me to join with you today in commemorating the 40th anniversary of the independence of the Byelorussian nation. On this occasion it is fitting that we recall the place of the Byelorussian nation in recent history. Altogether too little is known here in the United States about the Byelorussian nation and the age-long struggle of her people for independence and self-government.

While Byelorussia has been accorded full membership in the United Nations, an event which signifies the existence of a nation worthy of full representation in the council of nations, this much desired state of affairs does not, in fact, exist. Membership in the United Nations by Byelorussia is restricted to form, because, in substance, those accredited to the United Nations as spokesmen for the Byelorussian people are, in reality, nothing more than mouthpieces for their Russian masters.

The history of Byelorussia begins with the recorded history of all of central and eastern Europe. It is interspersed with eras of freedom and tyranny, of independence and foreign occupation. There was a rebirth of the Byelorussian national spirit in 1906 when, in keeping with the revolutionary spirit that was taking hold in the old Russian Empire the first legal Byelorussian newspaper, Nasha Bola, appeared. This organ of expression for Byelorussian aspiration was suppressed by the Russian secret police and all copies of its prior publication were confiscated. Soon thereafter another Byelorussian newspaper, Nasha Niva—Our Field—was published and continued its work through 1915. This newspaper played a major role in reviving Byelorussian national feelings and producing some outstanding intelligentsia writers and poets and uniting all the people of the country in a common determination to win national independence. This activity blazed the way for many other publications in the Byelorussian language which the Russians historically have attempted to replace with the Russian language. In 1913 a Catholic Byelorussian journal was started and enjoyed considerable success. In 1910 a Byelorussian theater was established as an expression of the development of the arts distinctive of Byelorussian culture, folklore, and aspirations.

When World War I broke out, Byelorussian national spirit was enjoying a grand renaissance. The desire of the Byelorussian people for national independence, joined by similar aspirations on the part of all the non-Russian nations of the old Russian empire, played a major role in the break-up of that empire and its consequent defeat by the Germans. It was impossible for the czarist government, then in alliance with the Western Powers, to continue the war against Germany. It is also interesting to note in this connection that the overriding efforts of the provisional Kerensky government to hold the old Russian empire together against the strongly expressed will of the people of the non-Russian nations led eventually to the complete collapse of the Russian empire and the takeover of Russia by the Bolsheviks. The Treaty of Brest-Litovsk in which Commissar Trotsky entered into a treaty of peace with the Germans followed.

On December 5, 1917, the first all Byelorussian Congress was held in Minsk. After 12 days of deliberation the Congress proclaimed the establishment of the Byelorussian National Republic. This national republic remained in being until December 10, 1918, when the Red army invaded Byelorussia and destroyed the newly won independence of the Byelorussian people. Since that time Byelorussia has remained under the occupation of Russian communism with the exception of those few years of warfare between Nazi Germany and Soviet Russia, when the armies of Hitler reached the gates of Moscow and Stalingrad. But the Byelorussian national spirit has in no way been diminished by these years of warfare and occupation by an alien power. Today the spirit of nationalism which is sweeping through all the non-Russian nations of the Soviet Union is the most powerful political force at work in Byelorussia. This is the greatest problem confronting the Russian masters in the Kremlin. It is a problem which they cannot solve. It is a political movement which will eventually destroy the power bloc of the Russians and bring to mankind a new era of peace and justice in which all nations must have their independence and full rights of self government.

As evidence of the concern the Russian despots have for the desire of the non-Russian nations of the Soviet Union and the

captive nations of central Europe for full national independence, together with the complete elimination of the Russian imposed doctrine of communism, we have only to look at the frantic efforts now being made by Khrushchev to drag the leaders of the free nations into another summit conference. The Russian leader, Khrushchev, has announced publicly that as a condition of such a summit meeting, the free nations must recognize the status quo as it now exists in the world. By this demand Khrushchev is asking free men to place the stamp of finality on the enslavement of the Byelorussian nation and all the other non-Russian nations behind the Communist Iron Curtain. It should be evident to all that this demand by Khrushchev is an admission that the Russians are incapable of holding their empire together and are now begging the West to assist them in that ignoble task. That, my friends, is the strategy which underlies the frantic appeals and efforts now being made by Moscow to bring about another summit conference.

And so as we today celebrate the 40th anniversary of Byelorussian national independence, we see the leaders of the Free World confronted with the question as to whether or not they are willing to participate with the Russians in maintaining the prison of nations which has been built up and extended upon the ruins of the old Russian empire. This is a decision which rests squarely with the leaders of the Free World. They have it within their power to reject this invitation to infamy or to be a party to the greatest injustice in the annals of history. By rejecting the Russian proposal of status quo, the leaders of the Free World will not only be standing by their basic moral and political principles, but even more—they will reaffirm their belief in the inevitable victory of human freedom over the forces of tyranny at work in the world. That is the thought I leave with you on this historic occasion which means so much to those of you who proudly trace your roots back to the ancient and honored nation of Byelorussia.

Expediting the Processing of Tax Refunds

EXTENSION OF REMARKS

OF

HON. GORDON CANFIELD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. CANFIELD. Mr. Speaker, Mr. George N. Mills, of Paterson, N. J., recently wrote me he hoped the Treasury Department was expediting the processing of tax refunds.

Normally—

Mr. Mills said—

the bulk of this money would not be refunded for months. If it could be paid out now, I'm sure many people, including the writer, would make purchases at a time when our economy needs a boost.

Mindful of the fact that the Treasury Department had already instituted such a program, I, nevertheless, sent Mr. Mills' letter to Treasury Secretary Robert B. Anderson, who has written me as follows:

THE SECRETARY OF THE TREASURY,
Washington, March 28, 1958.

Hon. GORDON CANFIELD,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: Thank you very much for your letter of March 26, 1958, with which you enclosed a letter sent to you by Mr. George N. Mills, of Paterson, N. J., suggesting that every effort be made to accelerate the income-tax refunds which we make to individuals who have overpaid their income taxes for the calendar year 1957. We too have been quite conscious of the fact that the money here involved is needed by the individuals entitled to receive the same, and that every effort should be made to return it to them as quickly as possible. During the last several years a number of steps have been taken to streamline the refund process and to speed up the time of payment.

Under the program for this year we are attempting to have refunds made within 30 days of the filing of the return showing a refund to be due, with a further deadline that all refunds shall be made by May 31.

The various service centers are doing a good job up to the present time on the tax claims which have been filed to date. Of course a very large percentage of tax returns will be filed during the first 15 days of April and there will be some delay in the processing of refunds on this large bulk of returns.

It has been found from experience that certain types of tax returns claiming refunds do require a prerefund audit. These are returns which on the face have claimed improper deductions for dependents or have claimed charitable deductions which it would appear cannot be substantiated. Prerefund audits do delay the refund payments somewhat but pay off in the end because it is very difficult to return a sum of money to a taxpayer one week, and 10 days later send a bill for balance of tax due.

Although we have made clear to the Revenue Service our interest in having refunds processed as rapidly as possible, your letter of March 26 has been called to the attention of Acting Commissioner Delk. We are again emphasizing the desirability from all angles of getting tax refunds into the hands of taxpayers at the earliest possible date.

I very much appreciate your thoughts on this point, as well as the opportunity you have given me to comment on them and to urge the Service to take all possible steps in facilitating refunds. I trust that you will feel free to send me from time to time other suggestions which may occur to you as proper methods of meeting the problems which we now face.

Sincerely yours,

ROBERT B. ANDERSON,
Secretary of the Treasury.

Bataan Day

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. O'HARA of Illinois. Mr. Speaker, as the House will not be in session next week, I am taking this occasion to mention that on Wednesday next in the United States and in the Republic of the Philippines the peoples of these two great lands will be joined in observance of Bataan Day.

On April 9, 16 years ago, the tattered remnants of a joint Philippine-American force wearily surrendered to the overwhelming attack force of the Japanese Army. Bataan, April 9, 1942, was a dark moment for two countries. Men of both the Philippines and the United States had fought and fallen together; now they were to suffer defeat and captivity together. Whatever else Bataan may have cost our two nations, it is symbolic of this historic tie, this working together for the benefit of both.

Today this bond has become an important link in the chain of defense for the Free World. The Pacific area is once again a focal point of the continuing international crisis, and still standing together are the Governments and the peoples of the United States and the Republic of the Philippines.

The nations of the Southeast Asia area have realized, as have the member states of NATO before them, that collective security is the only defense against the armed might of forces that would destroy them. SEATO is the result. In this as in other joint defense moves the Philippines speak of mutual defense from the experience gained in World War II. The Philippines have also joined with the United States in bilateral agreements to supplement the defense of their own country, as well as our country and the rest of the Free World.

While Moscow has raised the issue of colonialism in Asia and Africa, the Philippine Republic is the living answer to their propaganda. July 4 is Independence Day in the United States and in the Philippines. Their constitution is modeled on our own. The ideals of their people are the ideals of our people.

Bataan Day stands as a monument to the bonds that unite us, and on each anniversary of April 9, 1942, we renew our pledge that never, never shall those bonds be severed.

The Philippines are a beacon of hope for democracy in the troubled Pacific. On April 9 our thoughts will be with the brave and dedicated people of the islands and the many Americans of Filipino birth or descent who by industrious effort and good deeds among us have enriched our own lands. And we shall be remembering with gratitude and affection the service and the sacrifice of that band of Americans, now enshrined in immortal fame, that fought to the last inch of ground, as comrades with the Filipinos, and 16 years ago faced the blackness of the night and the tortures of captivity. To the survivors of that band and their Filipino comrades, and to the families of those that have gone on, we give the assurance that never will they be forgotten, never will the story of Bataan lose interest or fail to give inspiration to every generation of Americans as time marches into the centuries ahead.

Military Music for Live Members of Congress: A Clarification

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. PORTER. Mr. Speaker, when can a Member of Congress call on the Army Band to supply music for a private party? Is he allowed to have these

members play at a partisan political affair?

Recently I have had reason to go into these questions and I want to make my findings available to my colleagues in the hope that future abuse or misuse, intentional or inadvertent, of the services of these fine musicians will be avoided.

In a nutshell, the rules are as you would anticipate: No Army bandsman plays for a private party by assignment. He does it, if at all, of his own free will, for a fee and in civilian clothes. The Navy does not allow its band members, on or off duty, to play for nonofficial occasions.

As for partisan political occasions, the rule is that no Army or Navy Band member, in or out of uniform, may associate himself with such a meeting by playing his instrument.

Recently a Member of the other body, Senator BRIDGES, of New Hampshire, arranged for the Army Band sextet to play at a party he was giving for New Hampshire Republicans at the Fort McNair Officers Club. It was a private party and a partisan occasion, neither of which facts were known to the Army when the men were assigned the duty of playing there. The soldiers were in dress uniform. The regulations were violated but not intentionally by any member of the Army.

As soon as the matter came to his attention, Secretary of the Army Brucker immediately arranged that Senator BRIDGES be billed and that the regulations be clarified in a letter to me. I have only praise for the integrity and candor of the Secretary and the Army officers who have been associated in this investigation.

In the interests of clarifying the situation and preventing repetition I wrote to the Secretary and to Senator BRIDGES. Under a previous consent I include my two letters to the Senator, one letter to the Secretary, a New York Times story with the Senator's comments on my first letter, and a letter from the Secretary to me:

MARCH 24, 1958.

Hon. STYLES BRIDGES,
United States Senate,
Washington, D. C.

DEAR SENATOR BRIDGES: It has come to my attention that six members of the Army Band played, at your request, for a private party you gave last Tuesday evening at the Fort McNair Officers Club. I am also informed that the speeches made at that time were extremely partisan, something the Army had no reason to expect.

Upon consideration, I am sure you will agree with me that no Member of Congress has any right to use members of the Army Band on such an occasion, they having been assigned to play as a duty for which all the taxpayers, of whatever party, paid the bill.

It is my respectful suggestion that you apologize to the Army for this abuse of their courtesy to you and that you personally compensate the band members for their professional services.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

MARCH 24, 1958.

The Honorable WILBER M. BRUCKER,
Secretary of the Army,
Washington, D. C.

DEAR MR. SECRETARY: Thank you for your telephone call Friday. I have said many times that you are an able, hardworking, and devoted official. Your concern over the misuse of the Army Band is further proof.

My opinion is that the Army's courtesy was grossly abused by Senator BRIDGES. I would have thought, prior to this incident, that every Member of Congress would know that the Army Band is not available to play as an assigned duty for partisan political meetings.

Apparently the Senator was not clear on this point. I trust he will be billed for their services and that he will see fit to apologize to the Army for misusing members of its great band.

We all like partisanship—in its place—just as we like the Army and its band, in their places.

Your liaison officers have been most obliging in this matter, and I feel sure that it cannot happen again.

With best wishes and highest regard.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

BRIDGES HITS BACK—CALLS PORTER'S ATTACK FOR USE OF ARMY MUSICIANS ABSURD

WASHINGTON, March 26.—Senator STYLES BRIDGES defended as entirely proper today the use of Army musicians at a reception last week for a group of women from his State of New Hampshire.

The Republican termed it absurd for Representative CHARLES O. PORTER, Democrat, of Oregon, to have suggested that Mr. BRIDGES apologize to the Army for "abuse of their courtesy to you."

At a private party that Mr. BRIDGES gave at the Fort McNair Officers Club here, speeches made were extremely partisan, something the Army had no reason to expect, Mr. PORTER said in a letter to the Senator. He also suggested that Mr. BRIDGES pay the six musicians he said had played at the function.

Mr. BRIDGES said it had long been the custom for Members of Congress to call on service bands to play at occasions. He added:

"It should be clearly understood that on this particular occasion the musicians were to be compensated. There is no question of cost to the taxpayers."

DEPARTMENT OF THE ARMY,
Washington, D. C., March 28, 1958.

Hon. CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: This is in response to your letter of March 24, 1958, and to your verbal inquiry regarding Army policy concerning the use of some musicians from the Army Band at a private party given by Senator BRIDGES at the Officers' Club at Fort McNair on March 18, 1958.

Department of the Army policy authorizes bandsmen to perform during normal offduty time in officers' clubs, noncommissioned officers' clubs, private parties, and service clubs. However, participation in any affair that pertains primarily in character or purpose to a political party or religious sect is prohibited except as may be specifically authorized by the Secretary of Defense. When the performance is a duty assignment, at an affair of an official nature, compensatory time off may be permitted. Monetary compensation is appropriate at affairs of other than an official nature, and the amount paid each bandsman will be determined by the local commander commensurate with local standards.

I am informed that on February 4, 1958, a member of Senator BRIDGES' staff contacted the Army liaison office and requested a string ensemble for a private party at Fort McNair Officers' Club to be given by Senator BRIDGES. The Army liaison office having no reason to believe otherwise, considered this as a private affair and contacted the Army Band for the entertainment. Unfortunately, the Army Band construed this request to be for an official party and detailed six members to appear at the party. Compensatory time was given these participants the following morning in accordance with the normal Department of the Army policy.

Subsequent investigation by the Department of the Army as a result of your inquiry revealed that the party was sponsored by Senator BRIDGES and other members of the New Hampshire delegation and that a monetary charge for the services of the band members had not been made because of the band commander's misunderstanding. Accordingly, steps were immediately initiated to include such charges in the bill for Senator BRIDGES' party.

In response to your specific question, there is record of only one other occasion in which elements of the Army Band have been furnished for entertainment at parties given by Members of Congress at Fort McNair or Fort Myer during the past 5 years. This was a party given by Senator BRIDGES and Senator COTTON on April 1, 1957, at Fort McNair.

I trust that this information will be of assistance to you.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

MARCH 29, 1958.

Hon. STYLES BRIDGES,
United States Senate.

DEAR SENATOR BRIDGES: I think, upon reconsideration, you may wish to withdraw your statements to the press on March 27, 1958, that your recent use of band members was entirely proper and that my request for you to apologize to the Army is absurd.

Enclosed is a copy of a letter I have just received from Secretary Brucker. You will note that participation by members of the Army Band "in any affair pertaining primarily in character or purpose to a political party * * * is prohibited. * * *"

The Army naturally assumed you knew this without being informed. Yet your party was entirely political. Your New Hampshire delegation in Congress, your national committee representatives and other Republican leaders were there. The speeches were partisan. I have spoken with the Army Band members who were there. They know because they had to sit through these attacks on former President Truman and hear advice on how to answer queries about the current economic slump so as to blame the Democrats for war.

These soldiers were ordered to play for your party. No arrangement at all was made by you for them to be compensated, although now that the Army knows what happened you have been sent a bill for their services.

Two aspects of this were improper: (1) The Army Band, or part of it, is never ordered to play for a private party, whatever its nature; (2) the Army Band, or part of it, never plays on partisan political occasions. You must have known about these entirely reasonable regulations, but now you defend your conduct that it had long been the custom for Members of Congress to call on service bands to play at occasions.

The seven Army Band members, including their first sergeant, could recall no other such occasion and their service went back at least 10 years. Secretary Brucker writes that the only other instance at Fort McNair or Fort Myer during the past 5 years was on April 1 of last year at a party given by you and Senator COTTON. If the Army Band members then were ordered to play and if the party was political, then you owe the Army and the taxpayers an apology on both counts.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

Results of Ninth Annual Questionnaire

EXTENSION OF REMARKS

OF

HON. THOS. E. MARTIN

OF IOWA

IN THE SENATE OF THE UNITED STATES

Monday, March 31, 1958

Mr. MARTIN of Iowa. Mr. President, under unanimous consent granted me by the Senate, I submit the results of my ninth annual questionnaire to the people of Iowa.

On February 28 I mailed 40,638 questionnaires to Iowa. They were addressed to every 20th householder—both town and country. I used rural directories and all available city directories and telephone directories for towns not having householder directories. With each householder ballot I included also a woman's ballot of identical questions for the use of the wife or nearest female relative of the householder. The special women's ballots are tabulated in a separate column.

We have received a total of 5,638 replies which are included in the tabulation. The occupations listed by those replying are as follows:

Farmer	1,242
Labor	651
Business	366
Professional	324
White collar	432
Woman's ballot	2,295
Miscellaneous	328

Sample copies were distributed freely and 4,691 Iowans replied on them, but in order to preserve the true grassroots value of the enclosed tabulation of the ballots, I have followed my practice of not including sample-copy replies therein.

This year has brought not only a large total number of ballots but also an unusually large number of good discussions of the issues covered by the questions. I deeply appreciate the grand cooperation of the people of Iowa in their wonderful response.

The purpose of this questionnaire is best described in the words of Edmund Burke, 18th-century British statesman, as follows:

> Certainly, gentlemen, it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinions high respect; their business unremitting attention. It is his duty to sacrifice his repose, his pleasure, his satisfactions, to theirs—and above all, ever, and in all cases, to prefer their interest to his own.
>
> But a representative's unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to any man, or to any set of men living. These he does not derive from your pleasure—no, nor from the law and the Constitution. They are a trust from providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

Questionnaire—Tabulation of total Iowa grassroots vote

	Total vote	Yes	No	Percentage	
				Yes	No
1. Do you approve President Eisenhower's general foreign policy?	5,168	3,360	1,808	65.02	34.98
2. Do you approve continued United States efforts to persuade the U. S. S. R. to end the arms race and to submit to inspections of all arms plants?	5,377	4,656	721	86.59	13.41
3. Do you approve increasing United States foreign aid in our competition with the Soviet Union in the present cold war?	5,219	2,546	2,673	48.78	51.22
4. Do you favor increasing the use of repayable United States loans and private capital in the foreign aid program?	5,056	3,388	1,668	67.01	32.99
5. Do you approve extending the Trade Agreements Act for 5 years and authorizing a 25 percent reduction in any duty existing July 1, 1958?	4,728	3,358	1,370	71.02	28.98
6. Do you approve the agreement between the United States and the U. S. S. R. to increase their cultural, technical, educational, and sports exchanges?	5,337	4,336	1,001	81.24	18.76
7. Do you favor placing a single organization in charge of the development of all United States long-range missiles?	5,259	3,426	1,833	65.15	34.85
8. Do you favor assigning jurisdiction over United States nonmilitary space programs to a civilian agency independent of the Defense Department?	5,026	2,496	2,530	49.66	50.34
9. Do you favor establishing in civil defense a nationwide warning system, nationwide communications, and a massive shelter-building program?	5,135	3,124	2,011	60.84	39.16
10. Do you approve the Federal Reserve Board's increasing the availability of credit and reducing interest rates to stimulate our economy when needed?	5,339	4,558	781	85.37	14.63
11. Do you approve increasing the Federal debt to build hospitals, highways, schools, flood-control projects, etc., to stimulate our economy when needed?	5,330	3,356	1,974	62.96	37.04
12. In economic recessions, do you favor a reduction in Federal income tax rates even though Federal spending exceeds estimated revenues?	5,297	2,008	3,289	37.91	62.09
13. In economic recessions, do you approve increasing Federal taxes to provide adequate national defense if the budget is unbalanced?	5,176	2,253	2,923	43.53	56.47
14. Today do you favor raising the ceiling on the national debt rather than increasing tax rates to provide adequate national defense?	5,190	2,727	2,463	52.54	47.46
15. Do you approve the continuation of present temporary increases in excise taxes and corporate income taxes?	5,215	3,910	1,305	74.98	25.02
16. Do you favor extending the Soil Bank acreage reserve program?	5,232	2,160	3,072	41.28	58.72
17. Do you approve supports for basic crops and dairy products at 60 to 90 percent of parity with guidelines as used for other commodities?	5,074	2,897	2,177	57.09	42.91
18. Do you approve eliminating acreage allotments for corn and giving the administration authority to increase the allotment of other crops?	5,023	1,951	3,072	38.84	61.16
19. Do you approve assigning to the Commodity Credit Corporation Advisory Board the role of advising the Secretary of Agriculture on price supports and acreage allotments?	4,838	3,346	1,492	69.16	30.84
20. Do you favor extending the Agricultural Trade Development and Assistance Act and authorizing an additional $1,500,000,000 for its operation next year?	4,721	2,607	2,114	55.22	44.78
21. Do you approve increasing interest rates on REA loans to equal the interest rate paid by the Government on its own bonds?	5,174	3,645	1,529	70.45	29.55
22. Do you approve extending the life of the Small Business Administration with increased authority to make business loans and disaster loans?	5,160	4,506	654	87.33	12.67
23. Do you believe that all labor unions should be required to file annual reports with the Government showing how union money was spent?	5,450	5,173	277	94.92	5.08
24. Do you favor enactment of Federal laws requiring use of secret ballots by labor unions in elections of officers, strike proposals, and setting the amount of dues or assessments?	5,316	4,670	646	87.85	12.15
25. Do you favor Federal laws prohibiting "union shop" labor relations contracts that require all employees, covered by the contract, to join the union?	5,290	3,209	2,081	60.66	39.34
26. Do you believe financial dealings between employers and labor union officers involving potential conflicts of interests should be reported to the Government and made public?	5,267	4,865	402	92.37	7.63
27. Do you favor a Federal law enacting the principle of equal pay for equal work without discrimination on account of sex?	5,303	3,515	1,788	66.28	33.72
28. Do you approve Federal grants to States to improve instruction in the fields of science, mathematics, and languages, and Federal scholarships to be awarded by State agencies?	5,249	3,583	1,666	68.26	31.74
29. Do you approve removing the interest rate limitation and increasing the maximum size of home mortgage loans insured by the Federal Housing Administration?	5,036	1,802	3,234	35.78	64.22
30. Do you approve expediting construction of the Interstate Highway System by repealing the present pay-as-you-go plan?	5,234	1,580	3,654	30.19	69.81
31. Do you approve transferring to States all vocational education, municipal waste-treatment plants, advance planning for slum clearance, and disaster relief for damage to public facilities, with power to levy part of the tax on local telephone service to meet the cost?	4,926	1,742	3,184	35.36	64.64
32. Do you favor removing limitations on interest rates in the Veterans' Administration home loan guaranty program to create a market for such loans?	4,900	2,216	2,684	45.22	54.78
33. Do you approve increasing the present pay of our postal workers, Federal civilian employees and members of our Armed Forces?	5,208	2,505	2,703	48.10	51.90
34. Do you approve increasing rates on out-of-town 1st-class mail to 5 cents if 1 cent of the increase is used to provide better post office buildings and equipment?	5,389	2,767	2,622	51.35	48.65
35. Do you favor a constitutional amendment authorizing designated officials to determine a President's disability and to advise the Vice President when to perform the duties of the President?	5,344	3,969	1,375	74.27	25.73
36. Please check 8 of the following 16 issues you think most important today:					
(a) Government spending		(2) 3,778		------	------
(b) Balancing the budget		2,176		------	------
(c) Reduction of debt of Federal Government		2,055		------	------
(d) Taxation		(4) 3,453		------	------
(e) Farm prices and policies		(3) 3,638		------	------
(f) Policies regarding small business and industry		2,704		------	------
(g) American foreign policy		(6) 2,958		------	------
(h) United States foreign trade policies		2,373		------	------
(i) Control of communism in America		(7) 2,858		------	------
(j) Labor policies		(8) 2,786		------	------
(k) Defense and war preparedness		2,570		------	------
(l) Maintaining peace		(1) 3,834		------	------
(m) Corruption in Government		(5) 3,103		------	------
(n) Administration of outer space programs		980		------	------
(o) Promotion of science		2,135		------	------
(p) Civil rights		1,870		------	------

The total tabulation of the householder and women's ballots appears on this page and the tabulation by classification follows on the next page.

Total Iowa grass-roots vote by classification

	Farmer		Labor		Business		Professional		White collar		Woman's vote		Miscellaneous	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1. Do you approve President Eisenhower's general foreign policy?	714	423	343	269	242	91	219	82	285	120	1,382	709	175	114
2. Do you approve continued United States efforts to persuade the U. S. S. R. to end the arms race and to submit to inspections of all arms plants?	1,030	157	512	113	320	32	284	31	358	60	1,887	285	265	43
3. Do you approve increasing United States foreign aid in our competition with the Soviet Union in the present cold war?	568	570	271	353	172	169	165	140	192	211	1,044	1,061	134	169
4. Do you favor increasing the use of repayable United States loans and private capital in the foreign aid program?	736	372	358	241	248	84	251	59	276	120	1,339	689	180	103
5. Do you approve extending the Trade Agreements Act for 5 years and authorizing a 25 percent reduction in any duty existing July 1, 1958?	789	281	363	205	209	94	223	52	266	107	1,322	550	186	81
6. Do you approve the agreement between the United States and the U. S. S. R. to increase their cultural, technical, educational, and sports exchanges?	904	265	499	125	304	42	284	32	354	64	1,760	401	231	72
7. Do you favor placing a single organization in charge of the development of all United States long-range missiles?	680	473	393	230	257	89	231	69	314	102	1,359	762	192	108
8. Do you favor assigning jurisdiction over United States nonmilitary space programs to a civilian agency independent of the Defense Department?	505	594	303	313	184	149	181	108	237	165	954	1,056	132	145
9. Do you favor establishing in civil defense a nationwide warning system, nationwide communications, and a massive shelter-building program?	614	519	420	199	181	146	151	146	235	176	1,347	711	176	114
10. Do you approve the Federal Reserve Board's increasing the availability of credit and reducing interest rates to stimulate our economy when needed?	1,010	171	546	80	315	37	273	40	357	63	1,804	335	253	55
11. Do you approve increasing the Federal debt to build hospitals, highways, schools, flood-control projects, etc., to stimulate our economy when needed?	650	541	435	191	236	111	193	120	261	154	1,394	740	187	117
12. In economic recessions, do you favor a reduction in Federal income tax rates even though Federal spending exceeds estimated revenues?	414	764	248	378	121	226	101	214	156	263	839	1,268	129	176
13. In economic recessions, do you approve increasing Federal taxes to provide adequate national defense if the budget is unbalanced?	515	638	265	356	146	194	147	154	194	218	856	1,198	130	165
14. Today do you favor raising the ceiling on the national debt rather than increasing tax rates to provide adequate national defense?	549	605	346	273	201	143	132	172	207	204	1,130	928	162	138
15. Do you approve the continuation of present temporary increases in excise taxes and corporate income taxes?	956	207	477	145	233	113	239	70	291	117	1,521	551	193	102
16. Do you favor extending the Soil Bank acreage reserve program?	714	487	166	442	97	242	100	196	113	294	855	1,224	115	187
17. Do you approve supports for basic crops and dairy products at 60 to 90 percent of parity with guidelines as used for other commodities?	813	341	298	304	158	172	147	141	174	213	1,158	860	149	146
18. Do you approve eliminating acreage allotments for corn and giving the administration authority to increase the allotment of other crops?	362	815	268	323	130	182	127	139	175	197	774	1,239	115	177
19. Do you approve assigning to the Commodity Credit Corporation Advisory Board the role of advising the Secretary of Agriculture on price supports and acreage allotments?	859	274	373	196	184	120	176	79	219	145	1,375	562	160	116
20. Do you favor extending the Agricultural Trade Development and Assistance Act and authorizing an additional $1,500,000,000 for its operation next year?	831	250	211	362	135	171	145	106	147	213	1,020	851	118	161
21. Do you approve increasing interest rates on REA loans to equal the interest rate paid by the Government on its own bonds?	627	556	496	111	301	47	245	45	333	66	1,430	624	213	80
22. Do you approve extending the life of the Small Business Administration with increased authority to make business loans and disaster loans?	993	153	548	68	296	53	248	47	345	61	1,820	240	256	32
23. Do you believe that all labor unions should be required to file annual reports with the Government showing how union money was spent?	1,167	48	564	68	342	16	306	10	404	19	2,111	96	279	20
24. Do you favor enactment of Federal laws requiring use of secret ballots by labor unions in elections of officers, strike proposals, and setting the amount of dues or assessments?	1,031	142	518	106	331	23	296	19	376	40	1,860	265	258	51
25. Do you favor Federal laws prohibiting "union shop" labor relations contracts that require all employees, covered by the contract, to join the union?	667	510	312	314	257	92	219	90	271	146	1,312	793	171	136
26. Do you believe financial dealings between employers and labor union officers involving potential conflicts of interests should be reported to the Government and made public?	1,088	72	571	52	328	22	276	29	386	26	1,935	180	281	21
27. Do you favor a Federal law enacting the principle of equal pay for equal work without discrimination on account of sex?	739	426	404	216	164	173	175	130	242	170	1,579	588	212	85
28. Do you approve Federal grants to States to improve instruction in the fields of science, mathematics, and languages, and Federal scholarships to be awarded by State agencies?	728	423	438	179	234	115	207	104	289	124	1,500	617	187	104
29. Do you approve removing the interest rate limitation and increasing the maximum size of home mortgage loans insured by the Federal Housing Administration?	328	783	220	388	134	200	133	156	173	233	704	1,298	110	176
30. Do you approve expediting construction of the Interstate Highway System by repealing the present pay-as-you-go plan?	284	890	219	399	112	226	107	191	140	272	623	1,469	95	207
31. Do you approve transferring to States all vocational education, municipal waste-treatment plants, advance planning for slum clearance, and disaster relief for damage to public facilities, with power to levy part of the tax on local telephone service to meet the cost?	341	733	224	373	118	196	118	172	146	233	674	1,317	121	160
32. Do you favor removing limitations on interest rates in the Veterans' Administration home loan guaranty program to create a market for such loans?	454	629	287	313	168	156	137	138	195	205	839	1,099	136	144
33. Do you approve increasing the present pay of our postal workers, Federal civilian employees, and members of our Armed Forces?	352	814	372	235	161	171	187	104	267	140	1,020	1,085	146	154
34. Do you approve increasing rates on out-of-town first-class mail to 5 cents if 1 cent of the increase is used to provide better post office buildings and equipment?	490	715	406	223	208	140	194	110	277	138	1,044	1,137	148	159
35. Do you favor a constitutional amendment authorizing designated officials to determine a President's disability and to advise the Vice President when to perform the duties of the President?	894	297	437	185	259	88	251	59	298	106	1,594	570	236	70
36. Please check 8 of the following 16 issues you think most important today:														
(a) Government spending	(2) 863		(1) 433		(1) 265		(3) 209		(1) 292		(2) 1,485		(1) 231	
(b) Balancing the budget	508		245		127		116		173		862		145	
(c) Reduction of debt of Federal Government	482		247		122		101		165		792		146	
(d) Taxation	(5) 733		(2) 416		(5) 220		(4) 203		(2) 284		(4) 1,395		(3) 202	
(e) Farm prices and policies	(1) 1,065		305		(7) 209		(6) 192		(6) 231		(3) 1,472		(6) 164	
(f) Policies regarding small business and industry	(8) 591		(6) 341		(6) 210		138		188		(8) 1,094		142	
(g) American foreign policy	534		318		(4) 223		(1) 257		(3) 279		(7) 1,200		(8) 147	
(h) United States foreign trade policies	(7) 602		228		162		(8) 155		168		937		121	
(i) Control of communism in America	(6) 672		(7) 336		129		96		190		(5) 1,249		(5) 186	
(j) Labor policies	563		(8) 332		(3) 236		(5) 197		(5) 252		1,046		(7) 160	
(k) Defense and war preparedness	457		(5) 348		163		(7) 171		(8) 214		1,080		137	
(l) Maintaining peace	(3) 835		(3) 405		(2) 242		(2) 226		(4) 271		(1) 1,642		(2) 213	
(m) Corruption in Government	(4) 765		(4) 404		(8) 195		116		(7) 223		(6) 1,209		(4) 191	
(n) Administration of outer-space programs	192		118		57		71		93		404		45	
(o) Promotion of science	421		268		145		124		174		894		109	
(p) Civil rights	349		228		92		120		131		842		108	

The Economic Recession

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include a copy of my weekly newsletter which was released March 17, 1958:

KEENOTES

(By Representative ELIZABETH KEE)

Major attention is now being focused by Congress on the economic recession.

There is no doubt that the country is now suffering from a major recession in the economy. Even the White House, which at first was inclined to dismiss the downturn in business as only of slight, passing interest, has acknowledged the situation is serious.

Congress has been more alert to the economic situation than has the administration. Both Houses have clearly indicated that corrective measures will be taken immediately. The risk of letting things rock along in the hopes that they will correct themselves is too great for the country to accept.

The House and the Senate are acting rapidly to bring about a speedup in construction work for which Congress has already appropriated money. Major programs to encourage housing construction and to speed up interstate highway building are in the works.

Also high on the agenda for Congressional action are plans to expand unemployment compensation and provide for payments over a longer period of time.

The latest official Government report of 5¼ *million* unemployed persons has added fresh impetus to Congressional insistence that immediate remedial steps be taken. It is significant that Democrats and Republicans are united in their demands that the present downturn in business be checked before it spreads even further.

Everyone with whom I have discussed the economic situation agrees that basically the Nation's economy is sound. These men, including economists for both labor and business groups, agree that over the long pull the factors pointing toward continued business expansion far outweigh those pointing toward a depression on the scale of 1932.

However bright the picture may be for the future, the fact remains that the present situation is bad and unless something is done to check it, this country could easily slide into extremely serious economic difficulties.

It is not enough to talk of confidence and the need for people to spend more money. People out of work cannot have much confidence in the future nor can they reasonably be expected to spend their way to prosperity.

Confidence in the economy is important. But if we allow the present drift to continue, confidence in the economy and in the future can be wrecked.

I am delighted to see so much agreement both in and out of Congress on the need to begin useful projects to get people back to work. It is important that people realize this is no WPA or make-work proposition. The projects Congress has in mind already have been approved. The only change involved is a speedup, getting the money out into the country faster than originally contemplated so work can be started immediately. Thus, useful productive jobs will be available.

This is a fine constructive approach to the present economic difficulties, and I am happy to give it my enthusiastic support.

No Prohibition—Back Door or Otherwise

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 31, 1958

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address I delivered before Labor's Committee To Celebrate the 25th Anniversary of Repeal, at the Hotel Commodore, New York City, April 7, 1958.

The address follows:

NO PROHIBITION—BACK DOOR OR OTHERWISE

(Address by Representative EMANUEL CELLER)

If the chemise or sack dress is here to stay, then shudder we must. I am told by some very vocal sociologists and psychiatrists that the chemise or loose bag dress is really an expression of nostalgic yearning for the Flaming Twenties. If this be so, we are a doomed people. When I see a woman with one of the square dresses, I expect her to do the Charleston—the dance of the prohibition days.

Is there a connection between high prices and high skirts, no waistline and economic bust, the glorified sack and prohibition? There may be something in it, after all.

Aside from the chemise—and what can the helpless male do before the onslaught of fashion?—there is a serious question we must face. Are we taxing ourselves into prohibition?

On beer there is a Federal tax of $6 per barrel and a State tax of $3 on the same barrel. The retailer pays $28.50 for a barrel, and thus one-third of his cost is tax. This cost is passed on to the consumer.

Hard liquor pays the prohibitive tax of $10.50 on a proof gallon. As you know, it was increased from $9 as a temporary measure during the war. But taxes, once put on, like a tattoo are almost impossible to remove.

And what has been the result? A gift to the moonshiners, without their even having to answer the $64,000 question or sending in a slightly used bottle cap. What actually has been accomplished is the encouragement of the bootleggers and hootch runners to get into business, while the legitimate interests are inclined to curtail theirs.

Last year, Federal officers cooperating with State agencies, seized 11,820 illegal stills, and it is estimated that an additional 3,000 stills were seized by State authorities working independently of Federal investigators.

There are people who are under the impression that all the moonshine activities are hidden in the hillbilly country; that the moonshine activities are unorganized and carried on by bearded old men and barefoot boys on Tobacco Road, with only a flintlock with which to bar the revenuers. The truth is that we find such stills here in the heart of a city like New York. The market is here, the opportunities are here. Moonshining is big business—organized big business—operating from such sites as empty factory buildings, disused garages, condemned tenements, and the like.

They sell to retailers, who pass on this poison to their customers. They sell cut-rate to bellhops, taxi drivers, and the hangers-on to be found in disreputable night spots.

Heavy taxation is their kindest friend, encouraging, aiding, and abetting illegality. The exorbitant, unreasonable taxation is money in the coffers for them—and death to their victims. Only a short while ago we were treated to the tragic spectable of 24 people who died after having consumed a rot gut offered to them in place of legal, properly distilled, and properly inspected liquor.

An excessive tax is an open invitation for the gangster to enter. A reasonable tax which, in turn, would be passed on in savings to the consumer would offer little incentive for the unsavory to pick up where the tax man left off.

Nor would the Government lose with a reasonable tax. The cost of enforcing legal manufacture and distribution of liquor alone makes up the deficiency, not to speak of the increased revenue from personal and corporate taxes that would result from the increased sale of legal liquor. Bad liquor, like bad money, chases away the good. Consumption does not decrease. The traffic follows the cheaper cost.

Let there be instigated a genuine move to cut these taxes and you can be sure that the greatest howls of all will come, not from the prohibitionists, as might be expected, but from the crafty, the greedy, the racketeer who has profited most by the unreasonable, unreasoning liquor tax.

Let me read to you what Thomas Jefferson wrote to a friend on December 12, 1818:

"I rejoice, as a moralist, at the prospect of a reduction of the duties on wine. It is an error to view a tax on that liquor as merely a tax on the rich. Prohibition of its use to the middling class is condemnation of them to poison whisky."

But then, of course, we still have with us the prohibitionists, those self-righteous, self-deluding people who have learned nothing and forgotten all from the prohibition era. Churchill had it right. When he was approached by prohibitionists, he said, "I've taken more out of alcohol than alcohol has taken out of me." I remember a temperance orator holding up to his audience a glass of whisky and dropping into it an angle worm. He said, "See how the worm squirms, suffers, and dies. That is what alcohol will also do to you. Now to change the illustration, I take a pail of beer in one hand and a pail of water in the other and bring both pails to a hard-working donkey toiling in the fields. Which will he drink? The answer of course, is 'the water'." Then the temperance man asked the audience "Why?" and with one accord the audience shouted, "Because he is a jackass." Maybe it's time to start the movie camera again and reel off the days of bathtub gin, of murky speakeasies, of gangland killings over the division of territories, the hijacking, and the general contempt for law and order that pervaded that period. Maybe it's time again to recall the hip-pocket flask, the initiation rites of the young into that illegal, ill-starred world. Maybe it's time to remember the new-made millionaire fattening on the corpse of decency and lawfulness; the rum-runners, the doused lights, the sneaky opening and shutting of doors, the hypocrisy, and the soul sickness that the noble experiment left in its wake.

Never in the history of our Nation were we closer to degradation. We ran wild. Were we not then—all of us—a little mad? and, yes, even suicidal?

But the prohibitionists are still prohibitioning, and all their mouthings are "don'ts." Don't advertise beer and liquor. Don't serve liquor on airplanes. Don't advertise whisky over the radio or television. Don't sell liquor here, there, everywhere. Don't trust man's disciplines. In short, let's all behave

as if we were weak, foolish, criminal, insatiable, intemperate, all wrapped up in cellophane to protect us from our own sense and sensibility.

In the year 388 A. D., some 1,600 years ago, a wise man said:

"If you say, 'Would there were no wine' because of the drunkards, then you must say, going on by degrees, 'Would there were no steel' because of the murderers, 'Would there were no night,' because of the thieves, 'Would there were no light,' because of the informers, and 'Would there were no women,' because of adultery."

The perennial prohibitionist is like the perennial censor: Only he is qualified to tell us what is good for us. Substitute his judgment, his taste, his wishes, for our own—and all will be well.

Discipline begins with yourself always, and not with the next fellow.

I speak strongly because I fear me that the times of fear and indecision lend themselves to the delusion that there is a panacea, that there is a cure-all that can be swallowed in one gulp, and then all will be well. This is the kind of thinking to which the prohibitionist is addicted.

How securely the prohibitionist is now hemmed in by good sense, we do not know. He'll get out if he can. He'll get out if we let him.

We are here to celebrate the 25th anniversary of the repeal of prohibition. Actually, we are celebrating the return of good sense, the return to law and order, the return to self-respect, the return to rationality. The "noble experiment" is one of the greatest insults this Nation had to endure, and its horrible consequences are, in part, still with us. There ought to be a law against laws like that.

In closing, I want to strike one note of pride. New York and its environs is today the greatest brewing center in the country, outproducing even famed Milwaukee. If we can't have good hitting baseball teams in New York, we can, at least, have good beer.

SENATE

TUESDAY, APRIL 1, 1958

(Legislative day of Monday, March 31, 1958)

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

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

Our Father, God, to turn to Thee is rest; to know Thee is eternal life; to serve Thee is perfect freedom. In the reality of prayer, we see our boasted righteousness but as dust and ashes, and our vaunted strength as but a broken reed. Save us from error, pride, and prejudice, as issues of great moment for the whole world call for calm judgment in these decisive days.

Of Thy mercy vouchsafe, we beseech Thee, so to direct, sanctify, and govern all that we do and say and all the decisions that emerge from the deliberations of this body, that there may be in our day's work nothing of which, when the evening comes, we shall have cause to be ashamed. And at the last, when ebbs out our little day, make us more than conquerors, even as the dark and hostile cross proved but a key to unlock the portals of life everlasting. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 31, 1958, was dispensed with.

MESSAGE FROM THE PRESIDENT

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

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting several nominations, which was referred to the Committee on Armed Services.

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

MESSAGE FROM THE HOUSE

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

S. 72. An act to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes; and

S. 1740. An act to authorize the payment from the employees' life-insurance fund of expenses incurred by the Civil Service Commission in assuming and maintaining the assets and liabilities of certain beneficial associations.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 10589. An act making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1959, and for other purposes; and

H. J. Res. 588. Joint resolution making advance procurement appropriations for the fiscal year 1958, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1140. An act to amend Public Law 85-56 to permit persons receiving retired pay for nonregular service to waive receipt of a portion of that pay to receive pensions or compensation under laws administered by the Veterans' Administration;

H. R. 4815. An act to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations, and for other purposes;

H. R. 7907. An act relating to contracts for the conduct of contract postal stations, and for other purposes; and

H. R. 7910. An act to revise the laws relating to the handling of short paid and undeliverable mail, and for other purposes.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles, and referred to the Committee on Appropriations:

H. R. 10589. An act making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1959, and for other purposes; and

H. J. Res. 588. Joint resolution making advance procurement appropriations for the fiscal year 1958, and for other purposes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committee and subcommittee were authorized to meet today during the session of the Senate:

The Committee on Foreign Relations;

The Subcommittee on Antitrust and Monopoly Legislation of the Committee on the Judiciary.

TRANSACTION OF ROUTINE BUSINESS

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

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON NATIONAL INDUSTRIAL RESERVE

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on the National Industrial Reserve, dated April 1, 1958 (with an accompanying report); to the Committee on Armed Services.

REPORT ON MILITARY CONSTRUCTION CONTRACTS AWARDED WITHOUT FORMAL ADVERTISING

A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report of that Department, on military construction contracts awarded without formal advertising, for the period July 1, 1957, through December 31, 1957 (with an accompanying report); to the Committee on Armed Services.

REPORT ON AUDITS OF GOVERNMENT SERVICES, INC., AND EMPLOYEE RETIREMENT AND BENEFIT TRUST FUND

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on audits of Government Services, Inc., and Employee Retirement and Benefit Trust Fund of Government Services, Inc., for the year ended December 31, 1957 (with an accompanying report); to the Committee on Government Operations.