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.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

REPORT ON REVIEW OF NEW YORK CITY HOUSING AUTHORITY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of the New York City Housing Authority, 1957, Public Housing Administration, Housing and Home Finance Agency (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF HOUSING AUTHORITY OF CITY OF HOUSTON, TEX.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of the Housing Authority of the City of Houston, Tex., 1957, Public Housing Administration, Housing and Home Finance Agency (with an accompanying report); to the Committee on Government Operations.

REPORT OF ATTORNEY GENERAL

A letter from the Attorney General, transmitting, pursuant to law, his report on the activities of the Department of Justice, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

Two joint resolutions of the Legislature of the State of California; to the Committee on Armed Services:

"Assembly Joint Resolution 9, relative to increased benefits for retired members of the Armed Forces and for survivors of Armed Forces personnel

"Whereas there is now pending before the Congress of the United States legislation, including H. R. 9979, concerning an increase in the basic and other pay of Armed Forces personnel; and

"Whereas H. R. 9979 would also increase in proportionate amount the benefit payments to survivors of Armed Forces personnel under the Servicemen's and Veterans' Survivor Benefits Act; and

"Whereas H. R. 9979 specifically excludes from any benefit increase based on the proposed increase in basic pay persons who are presently entitled to or receiving retirement pay for past honorable service, except certain persons who retired prior to the effective date of the act, served on continuous active duty for at least 1 year, and retire after the effective date of the act; and

"Whereas retired members of the Armed Forces of the United States reside in every portion of our country, however, the State of California is privileged to have great numbers of such retired personnel who have served their country faithfully and with distinction; and

"Whereas there appears to be no basis for this gross discrimination against retired personnel who, by reason of past meritorious services, are equally entitled to benefits granted active-duty members of the Armed Forces and survivors of military personnel; and

"Whereas the circumstances of retirement should not penalize these honorable members of our society, who must meet the present increased cost of living the same as active-duty personnel and survivors: Now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of California (jointly)*, That the Legislature of the State of California respectfully memorializes the Congress of the United States to amend H. R. 9979, or any similar legislation, to include presently retired members of the Armed Forces within the provisions increasing the basic pay of members of the Armed Forces, so that their retirement benefits will be increased accordingly, and to enact this legislation in such amended form; and be it further

"*Resolved*, That the Legislature of the State of California commends the inclusion of survivors of Armed Forces personnel under the Servicemen's and Veterans' Survivor Benefits Act within the provisions of such legislation so that their benefits will be increased proportionately; and be it further

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

"Senate Joint Resolution 17, relative to National Guard armories in California

"Whereas the purpose of the National Defense Facilities Act of 1950 (Public Law 783, 81st Cong., as amended) is to provide for construction and expansion of facilities necessary for the proper development, training, operation, and maintenance of the reserve components of the Armed Forces; and

"Whereas it is the intention of that act that Federal funds be made available to the States for construction of armories when the States have made available sites and matching funds for such armories; and

"Whereas the State of California now has available sites and funds for the construction of approximately 25 such projects; and

"Whereas construction of such armories would serve the dual purpose of providing adequate housing and facilities for the National Guard pursuant to the intent and purpose of the National Defense Facilities Act of 1950 and of providing additional employment for the citizens of California in the current period of economic recession; 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 make available to the State of California funds for the construction of armories pursuant to the provisions of the National Defense Facilities Act of 1950; and be it further

"*Resolved*, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Secretary of Defense, to the Secretary of the Army, to the Joint Chiefs of Staff, to the chairman and members of the Armed Services Committee of each House of the Congress, and to the adjutant general of California."

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

"Assembly Joint Resolution 2, relative to imported tuna

"Whereas the tuna fishing industry and the tuna canning industry are major industries of the State of California and are the chief contributing factor in maintaining California's position as the leading fishery State in the Nation; and

"Whereas the tuna fishing industry has lost a large share of its market to the severe competition from imported tuna which is introduced into this State in many forms and which is produced under standards far lower than those rightfully employed by California fishermen; and

"Whereas the tuna fishing industry has been faced with a substantial decline in the number of boats operating and with a consequential loss of employment, earnings, and potential production; and

"Whereas the tuna canning industry is faced with a similar decline of potential production due to increased imports of canned tuna and discriminatory treatment by virtue of the ability of canners in other States to buy partially processed forms of tuna and the same opportunity is not afforded California canners; and

"Whereas appropriate remedial legislation by the Congress or administrative relief by the Executive is necessary if the California tuna fishing and canning industries are to survive and prosper; and

"Whereas there are pending in Congress several bills the enactment of which will be helpful in relieving the problems of the California tuna fishing and tuna canning industries: Now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of California (jointly)*, That the Legislature of the State of California hereby respectfully memorializes the Congress of the United States to enact legislation fully appropriate to the needs of our California tuna industries and consistent with United States trade policies which will relieve the tuna fishing and the tuna canning industries of California of the difficulties imposed by the increasing imports of all forms of tuna; and be it further

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

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

"Assembly Joint Resolution 6, relative to establishment of a new and separate Federal judicial district for the southern district of California

"Whereas the city of San Diego is the center of a metropolitan area with an estimated population in excess of 700,000 and is one of the most rapidly growing in the Nation; and

"Whereas this metropolitan area is detached and geographically separated from the Greater Los Angeles metropolitan area; and

"Whereas San Diego and Imperial Counties have come to constitute a third distinct area of population concentration in California; and

"Whereas these counties are now included in the judicial district for the southern district of California; and

"Whereas that district, 1 of only 2 into which California is now divided, encompasses an area with a population well in excess of 8 million; and

"Whereas based upon the criterion of area, population, or volume of litigation, California, with only 2 districts, in comparison with other States such as Texas with 4 districts, New York with 4 districts, Illinois with 3 districts, and Pennsylvania with 3 districts, should comprise 3 or more districts; and

"Whereas Representatives WILSON, UTT, and HILLINGS have introduced in the House of Representatives, H. R. 229, a bill to provide that Imperial and San Diego Counties in the State of California shall constitute a new and separate judicial district to be known as the southern district of California, and to redesignate the present southern district as the middle district of California and a similar measure has been introduced in the Senate by Senators KNOWLAND and KUCHEL; and

"Whereas enactment of this legislation is essential to the administration of the Federal district courts in California and to accommodation of the volume of litigation that

comes before those courts: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the Congress of the United States to enact H. R. 229 or similar legislation; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the Speaker and chairman of the Committee on the Judiciary of the House of Representatives, to the President pro tempore and chairman of the Committee on the Judiciary of the Senate, 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; to the Committee on Labor and Public Welfare:

"Assembly Joint Resolution 7, relative to Federal aid to schools

"Whereas Public Law 874 of the 81st Congress, which established a program of Federal aid to school districts which have suffered financial burdens as the result of Federal activities, is scheduled to expire on June 30, 1958; and

"Whereas this program assists districts in which local revenues for schools have been reduced due to the acquisition of real property by the United States, districts which provide education for children living on Federal property or whose parents are employed on Federal property, and districts experiencing a sudden and substantial increase in school attendance because of Federal activities; and

"Whereas Public Law 874 has been of extreme importance to local school districts whose attendance has been greatly increased by the children of military personnel; and

"Whereas there are many areas in California, as well as in other parts of the country, where an adequate school program will be seriously jeopardized if Congress fails to extend the provisions of this law: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to continue the vitally needed program of assistance to public education by extending Public Law 874 beyond the expiration date of June 30, 1958; and be it further

"Resolved, That the chief clerk of the assembly 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 to the Congress of the United States."

A resolution of the Assembly of the Legislature of the State of California; to the Committee on Foreign Relations:

"House Resolution 88, relating to the economics of disarmament

"Whereas the economic well-being of California is, in part, dependent upon Federal expenditures for national defense, which involve thousands of California jobholders and billions of dollars; and

"Whereas a special study prepared for the Southern California Research Council revealed that a 50 percent cut in defense spending could result in layoffs of 120,000 people in southern California alone; and

"Whereas the United States seeks multilateral disarmament agreements with all countries of the world in order to create a world free of the fear of atomic holocaust; and

"Whereas such agreements could involve a substantial decrease in Federal defense expenditures; and

"Whereas such decreases could seriously affect the economic stability of areas heavily relying upon defense industry and could result in the loss of thousands of jobs: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Congress of the United States enact such legislation as is necessary to provide for a series of studies through appropriate Federal agencies, in cooperation with State and local governments, private industry, and labor, of the economic problems of disarmament, including a consideration of the following:

"1. The impact of defense industry upon specific local areas such as Los Angeles and San Diego. Such a study should include information as to the numbers of people directly involved in such defense industries, the geographic distribution of such industries, and a consideration of ways and means of encouraging the development of nondefense industry and the reconversion of defense to nondefense industry.

"2. Ways and means of Federal aid to areas depressed by a reduction in defense expenditures, including the possible relinquishment of Federal taxes in favor of State and local taxes, the strengthening of Government employment services, and unemployment compensation systems, and by possible methods for retraining or relocating workers facing major readjustments.

"3. Ways and means whereby Federal, State, and local governments can cooperate in the joint solution of economic dislocations caused by a reduction in defense expenditures."

A resolution adopted by the City Council of the City of Redondo Beach, Calif., favoring the enactment of legislation to provide funds for the construction of a post-office building in that city; to the Committee on Appropriations.

A letter in the nature of a petition from G. S. Voorhees, of Waco, Tex., favoring an amendment to the Constitution of the United States relative to the status of the Supreme Court (with an accompanying paper); to the Committee on the Judiciary.

LOWER FARM PRICE LEVELS—RESOLUTION

Mr. HUMPHREY. Mr. President, at their regular meeting, the Atwater Community Club adopted a resolution opposing recommendations for lower farm price levels.

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:

THE ATWATER COMMUNITY CLUB,
Atwater, Minn., March 28, 1958.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR MR. HUMPHREY:

Be it resolved, That we, the Atwater Community Club, Atwater, Minn., commend and thank you for your efforts on behalf of farmers in our area in the past; be it further

Resolved, That you continue your good efforts in opposing the recommendations for still lower farm price levels. The lowering of price supports on dairy products, as recommended by the Secretary of Agriculture, would have the economic effect of a loss of approximately $80,000 per year income to the farmers and business places in the Atwater, Minn., community; be it further

Resolved, That copies of this resolution be sent to United States Senator EDWARD J. THYE, United States Senator HUBERT H. HUMPHREY, Representative H. CARL ANDERSEN, and Representative FRED J. MARSHALL.

The above resolution was presented at the regular meeting of the Atwater Community Club held on March 25, 1958, upon being put to vote, was unanimously carried. There are 68 members of the Atwater Community Club.

D. W. FLEMING,
Secretary.

Attest:

M. L. MARTINSON,
President.

RESOLUTION OF LODGE 205, SLOVENE NATIONAL BENEFIT SOCIETY, DULUTH, MINN.

Mr. HUMPHREY. Mr. President, the Slovene National Benefit Society Lodge 205, Duluth, Minn., recently adopted a resolution urging Congress to pass legislation to give greater medical-hospital protection for our senior citizens.

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 Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

SLOVENE NATIONAL BENEFIT SOCIETY,
Duluth, Minn., March 17, 1958.

Hon. HUBERT H. HUMPHREY,
United States Senator of Minnesota.

DEAR SIR: Whereas the most depressing care facing millions of American retired citizens, is the fear of what will happen if and when serious sickness strikes. Private insurance is not dependable, during last few years, we experienced that the monthy premiums for medical-hospital insurance are increased to retired people soon after they retire, this forces the lower recipients of monthly benefits to forgo such insurance, because the monthly benefits are hardly enough to provide for necessary food, clothing, and shelter.

Our Government spends billions of dollars supporting foreign governments who were our enemies during wars fought in our lifetime. Certainly, we should be mindful enough to provide medical-hospital care for our own people who helped to make America what it is today. We must remember too, that our retired people, besides helping to build America, also reared our young men and women who fought and died on foreign soil during the last three wars.

We do not ask to provide this protection gratis, retired people are willing to contribute reasonable share from their monthly benefits too in order to have dependable protection in times of needs, which only the United States Government can provide.

We ask in all seriousness, that the present session of Congress adopt this long overdo medical-hospital protection, which would lessen needless fear of our own people who worked hard in their creative years. They earned by their hard labor, to have a few declining years in leisure without worry.

We sincerely ask you as our Representative to devote enough of your time urging your colleagues to begin working on this legislation.

Thanking you for your effort in this respect, we are sincerely,

Yours,

JOHN KOBI, Sr., *President.*

RESOLUTION ENDORSING SENATE BILL 1165

Mr. HOBLITZELL. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution endorsing the

bill (S. 1165) providing for additional pay and promotion for members of the legal profession serving with the armed services in a legal capacity, adopted by the West Virginia State bar, acting through its executive committee, on December 14, 1957.

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

RESOLUTION OF WEST VIRGINIA STATE BAR ENDORSING SENATE BILL 1165, 85TH CONGRESS

Whereas there is now pending in the Congress of the United States Senate bill 1165, which provides for additional pay and promotion for members of the legal profession serving with the armed services in a legal capacity, bringing the pay and promotion status of military lawyers to a level commensurate with the special professional pay and promotion schedule now available to members of the medical and other learned professions serving with the military; and

Whereas it is the sense of the West Virginia State bar that lawyers should receive compensation and rank commensurate with that of other learned professions because the professional training and skill of lawyers are certainly as valuable to the Armed Forces as those of the other professions; that the armed services are having great difficulty in procuring and maintaining even a minimum of military lawyers, and that if they are unable to do so it will be impossible to administer properly the present Uniform Code of Military Justice; that said code was made the basis of military justice largely through the efforts of civilian lawyers, and that the legal profession therefore has a responsibility to insure its successful operation; and that, finally, the West Virginia State bar has a peculiar interest in and knowledge of the needs and problems of the armed services: Therefore be it

Resolved, That the West Virginia State bar does hereby endorse Senate bill 1165, and urges upon the Congress of the United States its passage; and directs the secretary to send copies of this resolution to the Members of the Congress from the State of West Virginia and to the American Bar Association.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HAYDEN, from the Committee on Appropriations, without amendment:

H. J. Res. 588. Joint resolution making advance procurement appropriations for the fiscal year 1958, and for other purposes (Rept. No. 1432).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, with amendments:

H. R. 4640. An act to amend the Civil Service Retirement Act with respect to payments from voluntary contributions accounts (Rept. No. 1433).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

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

Henry J. Heinz II, of Pennsylvania, to be the representative to the 13th session of the Economic Commission for Europe of the Economic and Social Council of the United Nations.

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

Newell Brown, of New Hampshire, to be an Assistant Secretary of Labor;

John Harold Fanning, of Rhode Island, to be a member of the National Labor Relations Board; and

Pindaros R. Vagelos, and sundry other persons, for personnel action in the regular corps of the Public Health Service.

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

One hundred and eight postmaster nominations.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. SALTONSTALL. Mr. President, from the Committee on Armed Services I report favorably the nomination of Maj. Gen. John H. Hinrichs for appointment as Chief of Ordnance in the Army and as major general in the Regular Army; the nominations of 2 lieutenant generals for special assignment to positions of importance and responsibility in the Army; 1 lieutenant general in the Army to be placed on the retired list; 1 brigadier general, and 1 major general for appointment in the Regular Army, and 1 major general for appointment in the Reserves. In the Air Force I report the nominations of 4 lieutenant generals for assignment to positions of importance and responsibility and 3 lieutenant generals to be placed on the retired list. I ask that these names be placed on the Executive Calendar.

The VICE PRESIDENT. The nominations will be placed on the Executive Calendar, as requested by the Senator from Massachusetts.

The nominations ordered to be placed on the calendar are as follows:

Lt. Gen. Thomas Francis Hickey, Army of the United States (major general, U. S. Army), to be placed on the retired list in the grade of lieutenant general;

Maj. Gen. Herbert Butler Powell, and Maj. Gen. Clark Louis Ruffner, United States Army, to be assigned to positions of importance and responsibility designated by the President, in the rank of lieutenants general;

Maj. Gen. Robert W. Burns, Maj. Gen. Roscoe C. Wilson, Maj. Gen. Roy H. Lynn, and Maj. Gen. Robert M. Lee, Regular Air Force, to be assigned to positions of importance and responsibility designated by the President in the rank of lieutenants general;

Lt. Gen. Charles T. Myers (major general, Regular Air Force), Lt. Gen. Joseph Smith (major general, Regular Air Force), and Lt. Gen. Donald L. Putt (major general, Regular Air Force), United States Air Force, to be placed on the retired list in the grade of lieutenants general; and

Maj. Gen. John Honeycutt Hinrichs, Army of the United States (brigadier general, U. S. Army), for appointment as Chief of Ordnance, United States Army, and as major general in the Regular Army of the United States;

Brig. Gen. Clement Franklin St. John, Army of the United States (colonel, Medical Corps, U. S. Army), for appointment in the Regular Army of the United States, in the rank of brigadier general, Medical Corps;

Brig. Gen. Charles Edward Beauchamp, Army of the United States (colonel, U. S. Army), for temporary appointment in the Army of the United States, in the rank of major general; and

Brig. Gen. William Henry Abendroth, National Guard of the United States, for appointment as a Reserve commissioned officer of the Army, in the rank of major general.

Mr. SALTONSTALL. Mr. President, in addition, from the Committee on Armed Services, I report favorably 1,066 nominations in the Army and Air Force in the grade of lieutenant colonel and below. All of these names have already appeared in the CONGRESSIONAL RECORD, so to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The VICE PRESIDENT. The nominations will lie on the desk, as requested by the Senator from Massachusetts.

The nominations ordered to lie on the desk are as follows:

James S. Kelly, and sundry other officers, for promotion in the Regular Air Force; and

John A. Anderson, and sundry other officers, for promotion in the Regular Army of the United States.

BILLS INTRODUCED

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

By Mr. MARTIN of Pennsylvania:

S. 3583. A bill for the relief of Athos Benedos Perin; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3584. A bill to permit articles imported from foreign countries for the purpose of exhibition at the Minnesota Centennial Festival of Nations to be held in May 1958 at St. Paul, Minn., to be admitted without payment of tariff, and for other purposes; to the Committee on Finance.

By Mr. GOLDWATER:

S. 3585. A bill for the relief of Luther M. Crockett; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 3586. A bill for the relief of Damiano D'Aiello; to the Committee on the Judiciary.

By Mr. BIBLE (for himself and Mr. MALONE):

S. 3587. A bill to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing a national park in the Wheeler Peak-Lehman Caves area of the Snake Range in eastern Nevada; to the Committee on Interior and Insular Affairs.

By Mr. PAYNE (for himself and Mr. FLANDERS):

S. 3588. A bil lto amend title VI of the Public Health Service Act, as amended, in order to make certain clinics in rural areas eligible for Federal aid to diagnostic or treatment centers; to the Committee on Labor and Public Welfare.

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

By Mr. KENNEDY:

S. 3589. A bill for the relief of Ignazio Favaloro; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

S. 3590. A bill to authorize the construction of a Federal office building in Boston, Mass., and for other purposes; to the Committee on Public Works.

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

S. 3591. A bill to authorize the construction of a Federal office building in Boston, Mass., and for other purposes; to the Committee on Public Works.

PROPOSED ARRANGEMENT FOR GOVERNMENTAL ASSISTANCE FOR A REACTOR PROJECT

Mr. ANDERSON. Mr. President, I submit, for appropriate reference, a concurrent resolution dealing with the pro-

posal of the Pennsylvania Power & Light Co. and the Westinghouse Electric Corp. to receive governmental assistance in the total amount of $29,341,000 for a tentatively proposed reactor project.

The law requires that this resolution lie before the Joint Committee on Atomic Energy for a period of 45 days, not counting the days when Congress is not in session. We have just held hearings on this matter, which now has reached the point where Congress will have to act within 4 or 5 days after the conclusion of the Easter recess.

Personally, I am opposed to this contract into which the Atomic Energy Commission plans to enter with the Pennsylvania Power & Light Co. and the Westinghouse Electric Corp. Therefore, I submit the concurrent resolution, which expresses the disapproval on the part of the Senate and the House of Representatives of the proposed contract.

I ask unanimous consent that later in the afternoon I may submit a further statement in regard to the concurrent resolution.

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

The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 78), submitted by Mr. ANDERSON, was referred to the Joint Committee on Atomic Energy, as follows:

Whereas by letter dated February 24, 1958, the Atomic Energy Commission submitted to the Joint Committee on Atomic Energy the basis of a proposed arrangement No. 58-111-6 between the Atomic Energy Commission and the Pennsylvania Power & Light Co. and the Westinghouse Electric Corp. to provide Government assistance in the total amount of $29,341,000 for a tentatively proposed reactor project; and

Whereas section 111b of Public Law 85-162 requires that before the Commission enters into any arrangement which involves appropriations authorized by subsection 111a thereof the basis for the proposed arrangement shall be submitted to the Joint Committee on Atomic Energy, and a period of 45 days shall elapse while Congress is in session (in computing such 45 days, there shall be excluded the days in which either House is not in session because of adjournment for more than 3 days), unless such 45-day period is waived by the Joint Committee; and

Whereas such 45-day period will expire on April 21, 1958, unless affirmative action is taken by the Congress of the United States or the Commission withdraws the proposed arrangement; and

Whereas the Subcommittee on Legislation of the Joint Committee reviewed the basis of this proposed arrangement at a public hearing held on March 22, 1958; and

Whereas it appears that the proposed arrangement is not in accordance with the program justification data for the third round of the AEC power demonstration reactor program, as described during the authorization hearings before the Joint Committee in June 1957, prior to the adoption of Public Law 85-162, particularly because it does not contain a definite obligation to construct and operate the reactor as contemplated by the third round; and

Whereas the proposed arrangement does not provide adequate protection for the public interest with respect to patent rights on work to be financed by the Federal Government; and does not provide for resubmission to the Joint Committee and the Congress of the arrangement in the event a decision is made at a later date to construct and operate the reactor; and contains certain retroactive features which may circumvent the intent of the 45-day review period required by section 111b; and

Whereas section 111b contains a proviso that each such proposed arrangement will be entered into in accordance with the program justification data previously submitted to the Joint Committee on Atomic Energy in support of authorization legislation; and

Whereas the homogeneous type of reactor proposed to be constructed is considered a promising reactor concept; and

Whereas the Joint Committee on Atomic Energy and the Congress approve of private industrial participation in the power demonstration reactor program so long as the arrangements are in accordance with the requirements of law, as in other proposed arrangements: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

1. The basis of the proposed arrangement between the AEC and the Pennsylvania Power & Light Co. and Westinghouse Corp. is not properly before the Joint Committee on Atomic Energy, and the 45-day period will not begin to run until a basis has been submitted which is in accordance with the program justification data of the third round of the AEC power demonstration program; and

2. The proposed arrangement is not consistent with the program justification data of the third round as previously submitted to the Joint Committee in that it—

(a) does not contain an obligation on the part of the proposers to construct and operate the reactor;

(b) does not provide for adequate protection of the public interest in connection with patent rights on discoveries made during design and construction of the reactor;

(c) does not provide for resubmission of the basis to the Joint Committee and the Congress in the event a decision is subsequently made to construct and operate the reactor; and

(d) contains retroactive features which may circumvent the intent of section 111b of Public Law 85-162 unless specifically authorized.

3. The Congress hereby declares it necessary and advisable for the Atomic Energy Commission to withdraw its proposed arrangement No. 58-111-6 and resubmit the basis of the arrangement in a manner consistent with Public Law 85-162.

Mr. ANDERSON subsequently said: Mr. President, on February 24, 1958, the Atomic Energy Commission submitted to the Joint Committee on Atomic Energy the basis of a proposed arrangement, No. 58-111-6, between the Atomic Energy Commission and the Pennsylvania Power & Light Co. and the Westinghouse Electric Corp. This proposed arrangement was intended as a part of the AEC power-demonstration reactor program and would provide Federal Government assistance in the total amount of $29,341,000 for a tentatively proposed project to construct a homogeneous reactor.

The homogeneous reactor is considered a promising type of reactor, and I would like to quote from a statement made by Dr. Libby, one of the AEC Commissioners, in 1955:

I was personally very disappointed to see that none of the proposals we received on April 1 included what I call the chemical type of reactor, that is, homogeneous type of reactor, which I believe is likely to give us the cheapest power at least in large quantities at stationary powerplants. I suppose if on the next go-round we still get nothing, I would be very strongly in favor of the Government going ahead on its own type of this development, and I think that $25 million would apply in this case.

The Oak Ridge National Laboratory of the Atomic Energy Commission has carried out considerable research and developmental work on this type of reactor, including the construction and operation of two reactor experiments, the HRE-1 and the HRE-2.

Private industry showed very little interest in this project until after Dr. Libby's statement, and then, some time thereafter, in 1955, the Pennsylvania Power & Light Co. began its project. Originally, the Pennsylvania people stated that they would do this project without Government assistance. In fact, a proposal by the joint committee in the spring of 1956 for an accelerated reactor-construction program was opposed by Mr. Charles E. Oakes, the then president of the Pennsylvania Power & Light Co., who stated that "the Government of the United States should not intervene."

Now, apparently, however, under the enlightened guidance of a new president of the company, and with a noticeable change in heart, the proposers have asked the Atomic Energy Commission for governmental assistance in the total amount of $29,341,000.

I have no objection to the homogeneous reactor project nor to the Pennsylvania Power & Light Co., although I would like to hear its president, and perhaps its past president, Mr. Oakes, declare publicly and forthrightly that they now believe that the Federal Government can play a part in developing atomic powerplants in this country.

The Subcommittee on Legislation of the Joint Committee on Atomic Energy held a public hearing on the proposed arrangement on March 22, 1958. It appeared that the proposed arrangement is not in accordance with the third round of the AEC power demonstration reactor program as described during the authorization hearings before the joint committee in June 1957. The proposed arrangement does not contain a definite obligation to construct and operate the reactor as contemplated by the third round. Moreover, as brought out by questions during the public hearings, it does not provide adequate protection for the public interest with respect to patent rights on work to be financed by the Federal Government; it does not provide for resubmission to the Joint Committee and the Congress of the arrangement in the event a decision is made at a later date to construct and operate the reactor; and it contains certain retroactive features which may circumvent the intent of the 45-day review period required by section 111b of Public Law 85-162.

I request unanimous consent to have printed in the RECORD at this point the following documents concerning this proposed arrangement:

(a) Letter dated February 24, 1958, from AEC Chairman Strauss to Chairman DURHAM, of the Joint Committee, submitting the basis of the proposed arrangement;

(b) Program justification data of the basis of the proposed arrangement as submitted by the AEC;

(c) Letter dated February 24, 1958, from Mr. Strauss to Mr. DURHAM forwarding the dissent of Commissioner Graham;

(d) Memorandum dated February 24, 1958, from Commissioner Graham to Mr. McCool, Secretary of the Commission, dissenting on the Commission's decision to proceed with the project;

(e) Letter dated March 26, 1958, from Congressman HOLIFIELD, chairman of the Subcommittee on Legislation, to the Honorable Joseph Campbell, the Comptroller General; and

(f) Letter dated March 28, 1958, from Congressman HOLIFIELD and Chairman DURHAM to Mr. Strauss.

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

UNITED STATES ATOMIC ENERGY COMMISSION,
Washington, D. C., February 24, 1958.

Hon. CARL T. DURHAM,
Chairman, Joint Committee on Atomic Energy.

DEAR MR. DURHAM: This letter is to inform you that the Atomic Energy Commission has determined that the proposal for a demonstration nuclear powerplant submitted by the Pennsylvania Power & Light Co. and Westinghouse Electric Corp., under the third invitation of the power demonstration reactor program, constitutes an acceptable basis for contract negotiations, and that a basis for agreement on this project has been reached by the parties.

The proposal, as you may recall, covers the research and development, design, construction, and operation of a single-region slurry homogeneous type reactor in the size range of 70 to 150 megawatts on the system of the Pennsylvania Power & Light Co. The companies estimate completion of the plant by about December 31, 1963. The proposal contemplates AEC assistance of about $7 million for preconstruction research and development, $18 million for additional research and development to be performed during the construction and operating phase, and the waiver of U-235 and U-233 use charges, presently estimated at slightly more than $4 million. The companies state they have already borne $5.5 million of research and development costs, and will bear about $57 million capital costs, and $16 million excess operating costs.

We would expect to utilize presently available funds for the initial $7 million AEC assistance, and to request the remaining AEC requirements as part of our fiscal year 1960 appropriation request.

The research and development contemplated under this proposal will be coordinated with and will complement the work on the homogeneous reactor type which is being carried on at Oak Ridge National Laboratory. Similar coordination with Oak Ridge National Laboratory has been carried out by the proposers during previous work on the project.

Periodic technical reviews will be conducted of the work at Westinghouse and at Oak Ridge National Laboratory, including reviews of the performance of the HRE_2 which recently went into operation. In the event that such reviews result in adverse findings regarding technical feasibility or promise of the reactor proposed by Pennsylvania Power & Light Co., the contract would be terminated under the provisions described in section 9 of the attached program justification data.

In accordance with the requirements of section 111, Public Law 162, 85th Congress, there is filed with you, herewith, the basis for the proposed cooperative arrangement with the companies.

In order that research and development work on this promising reactor type may proceed as rapidly as possible, you are requested to waive the requirement of section 111, Public Law 162, that the basis for the proposed arrangement lies before your committee for a 45-day period.

Faithfully yours,

LEWIS STRAUSS,
Chairman.

PROGRAM JUSTIFICATION DATA, ARRANGEMENT No. 58-111-6

A. NAME OF CONTRACTORS

1. Prime contractors: Pennsylvania Power & Light Co., Allentown, Pa., and Westinghouse Electric Corp., Pittsburgh, Pa.

B. DESCRIPTION OF PROPOSED PROJECT

1. Objective: The objectives of the proposed project are to bring new resources into the development of nuclear power technology, to advance the art, and to accelerate the time when economically competitive nuclear power is achieved. These objectives are to be achieved by a proposed arrangement which, on the terms given below, is directed to the construction and operation of a large-scale nuclear powerplant of the single-region slurry homogeneous type, designed to produce 70,000 to 150,000 net electric kilowatts of energy and to be operated for 5 years as part of the Pennsylvania Power & Light Co.'s system.

2. Location: The proposed plant will be located within the chartered territory of the Pennsylvania Power & Light Co. in central eastern Pennsylvania.

3. Technical aspects (data are approximate and are based on a plant of 150 EMW).

Heat output: 550 MW.

Electrical output: 150 MW.

Type of fuel: Slurry of thorium and uranium oxides in heavy water.

Amount of fuel loading (active section): 40,800 liters at a solids concentration of 292 gms/kg of D_2O.

Enrichment percent U-235: Full.

Moderator: The fuel slurry.

Coolant: The fuel slurry.

Reactor outlet temperature: 580° F.

Reactor pressure: 2,000 psia.

Steam conditions: 400 psia, 445° F., 2 million pounds per hour.

Byproduct utilization: Not yet determined.

4. Estimated date of completion: December 1963.

C. ESTIMATES OF COST

[In thousands. Based on a plant of 150 EMW]

Element of cost	Allocation of estimated costs [1]	
	AEC	P. P. & L.-West.
1. Preconstruction research and development:		
(a) Preproposal phase (1955-57)	--------	$5,500
(b) Phase I (1958-59)	[2] $7,000	--------
(c) Phase II (1960 to completion of construction)	[3] 15,290	--------
2. Design, fabrication and construction:		
(a) Land, building, and structures	--------	14,100
(b) Reactor and related facilities	--------	27,750
(c) Conventional generating facilities	--------	15,200
3. Postconstruction costs:		
(a) Phase II research and development	[3] 3,040	--------
(b) Excess operating costs	--------	[4] 15,825
4. Waiver of fuel use charges	[5] 4,011	--------
5. Total	[6] 29,341	78,375

[1] This allocation is subject to pars. D.4 and D.10.

[2] This amount is a maximum. It does not include ORNL's share of joint irradiation program costs applicable to this period.

[3] These 2 amounts taken together constitute a maximum.

[4] Assumes U-233 production credits and U-235 burn-up charges are made simultaneously.

[5] Subject to adjustment upward or downward for changes in AEC prices and use charges.

[6] Includes fixed fee to Westinghouse for engineering services.

D. GENERAL FEATURES OF PROPOSED ARRANGEMENTS

The proposed arrangement consists of two parts. Phase I, consisting of a preconstruction research and development program scheduled for the period 1958-59, is firm. The phase II program, consisting of further research and development, construction, and 5 years' operation, will be undertaken under a supplemental agreement, upon a determination of the technical feasibility of the plant and upon the proposers being willing to proceed with such construction and operation of the plant. If upon determination of technical feasibility the proposers are not willing to proceed with such construction and operation of the plant on the terms stated below, the proposers will repay in full all funds paid by AEC under phase I. The undertakings of the proposers under the contract will be both joint and several.

1. Site: The site for the nuclear power plant will be selected and provided by Pennsylvania Power & Light Co. and be subject to approval by AEC.

2. Construction: The nuclear plant will be constructed by the proposers, including possible associates, following the decision to proceed with its design and construction.

3. Operation: The Pennsylvania Power & Light Co. will operate the plant for 5 years as part of its power system.

4. Financial assistance: The phase I program, scheduled for the calendar years 1958 and 1959, is designed to yield the further information necessary to permit the parties to make a prudent decision on construction of the plant. The AEC assistance will cover the period starting January 1, 1958 and will total a maximum of $7 million. At the end of phase I, AEC and proposers will make a joint determination as to the technical feasibility of the proposed power plant. If the proposed plant is determined to be technically feasible, proposers will either proceed with phase II of the proposal calling for construction of the plant, or proposers will repay in full all the funds paid by AEC under phase I. If the proposed plant is jointly determined to be technically infeasible, the program will terminate. In this event, there will be no repayment to AEC of the funds paid by it, and the result will be that proposers will have paid for the 1955-57 research program and AEC will have paid for the 1958-59 program. If there is not mutual agreement as to technical feasibility or infeasibility as between AEC and proposers, then AEC's determination shall be controlling.

During the phase II program, scheduled to run from 1960 to the end of the fifth year of operation of the plant, AEC will provide the additional research and development necessary to construct the plant and assist in the performance of specified research and development programs during plant operation. The base AEC assistance for phase II will consist of (a) research and development not to exceed $18.33 million, including about $15.3 million through the end of construction and $3 million during the operating period, and (b) waiver of use charges on the special nuclear material for the initial 5-year operating period, valued at $4.011 million, subject to adjustment upward or downward for changes from current AEC use charges and prices.

The $18.33 million will be reduced to offset additional assistance, if any, which AEC might agree to provide in connection with an extension of phase I.

Other assistance, not presently provided for by the third round of the power-demonstration reactor program, including, among other items, a loan of the initial plant loading of heavy water and the waiver of the 5 years' use charge thereon, also may be requested by the proposers in connection with the supplemental agreement covering phase II, the principal terms of which shall be set

forth in the definitive contract, subject to any changes which may be acceptable to AEC.

5. Title: Pennsylvania Power & Light Co. will be the sole owner of the nuclear powerplant.

6. Term: The term of the contract will extend until the expiration of 5 years after the date the plant first produces power, unless the contract is terminated earlier under the provisions discussed in items 4 and 9.

7. Indemnity: As a licensee of the Commission, the proposers will be subject to the provisions of Public Law 256, 85th Congress.

8. Option to purchase: AEC will have the right to purchase the nuclear facilities at any time after foundation pouring begins if the proposers fail to continue the project for any reason other than termination by (a) mutual agreement, or (b) proposers' inability to obtain necessary licenses, regulatory agency approvals, or adequate liability-insurance coverage, or (c) mutual reversal of the previous plant-feasibility determination.

9. Termination: In addition to the automatic-termination provisions discussed in section 4, AEC and proposers may, by mutual agreement, terminate the phase I program at any time if considerations of technical infeasibility make such action appropriate. AEC may also terminate for the convenience of the Government at any time during phase I. In either of these cases, responsibility for costs shall be on the same basis as in the case where the program is terminated at the end of phase I by reason of a joint determination of technical infeasibility.

Proposers may at any time, without the concurrence of AEC, terminate the phase I program if in their sole discretion it is not desirable to continue for any reason. If proposers should so terminate the program, they will repay to AEC all funds paid by it up to any such date of termination.

In the event that AEC fails to accept within a reasonable time a proposal for phase II which requests only the base phase II assistance, or is unable for any reason to commit the necessary funds, then the proposers may terminate the project without any obligation of repayment to AEC for funds paid under phase I.

Phase II may be terminated by mutual agreement, or by the proposers' inability to obtain necessary licenses, regulatory agency approvals, or adequate liability insurance coverage, or by a mutual reversal of the previous plant feasibility determination. There will be no repayment of funds in any such case.

10. Alternative or modified proposal: In view of the many uncertainties that exist, proposers will not be precluded from submitting nor AEC from accepting any alternative or modified proposal on a basis acceptable to AEC and consistent with any existing or new legislative or administrative policies which may then be effective.

11. Patents: AEC will receive all rights to inventions arising out of AEC supported research and development work, except that Westinghouse will receive a nonexclusive, irrevocable royalty free license; Westinghouse also will receive outfield rights on inventions in areas where it has an established patent position. If, however, the cost of such research and development program is finally paid for by the proposers, then AEC shall receive only an irrevocable, royalty free, nonexclusive license under any inventions which arose during AEC's participation in the program.

12. Licenses: The proposers will undertake to obtain all necessary licenses from AEC, and such other necessary approvals from Federal, State, and local regulatory agencies as are required to permit the construction and operation of the plant and the sale or use of the energy produced therein.

13. Information and records: The proposers will keep available for AEC inspection and study, and require their subcontractors to keep such records of technical, economic, and financial data as will enable AEC to carry out the purposes of the power demonstration program. The proposers will also supply, and will require their subcontractors to supply, to AEC for such purposes such data as AEC may reasonably request.

UNITED STATES ATOMIC ENERGY COMMISSION,
Washington, February 24, 1958.

Hon. CARL T. DURHAM,
Chairman, Joint Committee on Atomic Energy, The Capitol, Washington, D. C.

DEAR MR. DURHAM: I send you this letter to accompany my letter of even date on the subject of the Commission's action on the proposal submitted by the Pennsylvania Power & Light Co. and the Westinghouse Electric Corp.

Three of the four Commissioners who attended the meeting at which action was taken (Messrs. Libby, Vance, and Floberg) voted to proceed now with the proposal. Commissioner Graham's position, essentially, was that the action was not timely, as reflected in his memorandum on the subject, which is attached and which I send you with his consent.

Had it been possible for me to attend the meeting, I should have voted for approval but am not so recorded.

Faithfully yours,

LEWIS L. STRAUSS.

UNITED STATES ATOMIC ENERGY COMMISSION,
February 24, 1958.

Memorandum for W. B. McCool, Secretary of the Commission.

From John S. Graham, Commissioner.

Re Pennsylvania Power & Light/Westinghouse proposal, AEC 777/61.

This proposal was approved by the Commission at its meeting on Monday, February 17, 1958, on a vote of 3 to 1—Messrs. Floberg, Libby, and Vance in the affirmative—Graham in the negative. You suggested that it would be appropriate to submit a memorandum of my views.

This matter has been before the Commission previously at its meeting on February 5, 1958. I then expressed some doubt about it. Dr. Libby at that time thought that the proposal needed another review from the technical standpoint. I mention the two meetings because I am not sure that what I said during the first meeting was fully repeated the second.

I was and still am troubled by the proposal. It seemed to me that it is predicated on several "iffy" points which were not fully resolved in my own mind. I shall endeavor to comment on these points.

1. Questionable need for another source of work on homogeneous reactor at this time.

As I understand some of the history of this concept, the Commission was assured by Dr. Weinberg, about a year ago, that the homogeneous reactor was ready to be exploited. As a result, a sentence was included in the President's message of 1958 to the effect that if an acceptable proposal for non-Federal construction of a homogeneous reactor did not materialize within a reasonable time, a request would be made for Federal funds to do so.

Subsequently, as I understand the chronology, corrosion problems raised a serious question as to the present feasibility of this concept. However, we now have at Oak Ridge the second homogeneous reactor which, I believe, is specifically designed to overcome the design complexities apparent in this type of reactor (the first such reactor, I am told, was only to prove the validity of a physics experiment). The second reactor went critical on December 27, 1957, and Dr. Libby reports (from his visit to Oak Ridge on February 13 and 14) that it has been at authorized power for only a few days. It seems to me that it is too early to conclude that we need another contract, with an outside company, to pursue this same route at this time. A few months of experimental work at Oak Ridge would not, in my judgment, really delay this project.

We also have some money being spent at Los Alamos on this same problem. Although I am told that this project is not really related, I must confess that I do not understand the technological differences.

2. This contract is categorized by the General Manager as essentially an R. and D. contract.

General Fields noted that this is essentially an R. and D. contract in the first phase in which AEC agrees to advance about $7.3 million. As a result of the discussion at the meeting on February 17 about the duration of this 2-year, first-phase contract it was recognized that should complications develop the Government might not want to continue to pursue this route. Therefore, additional contract clauses were suggested so as to give the Government a right of cancellation at any time. In my opinion, this improves the contract, but it still does not overcome my doubts as to the need to move forward just at this time with an extremely complicated arrangement.

3. This may lead to another scientific laboratory.

The General Manager has observed that if it is desirable to accelerate the civilian power program, then this R. and D. contract is one method of moving ahead as a supplement to the work that is being performed in the Government laboratories.

Dr. Libby recalled that when he was a member of the GAC there was a proposal from a private company to the Commission which involved some of the same elements as does this proposal; that GAC studied the matter; it was accepted by the AEC and this resulted in a scientific undertaking which has been large in terms of scope and cost. The current proposal, involving a possible $25 million in Government support, has the possibility of resulting in the same sort of scientific complex, and raises another doubt in my mind as to the wisdom of proceeding in this manner at this time. It would seem more preferable to me to wait until more information has been obtained from our Oak Ridge National Laboratory.

4. The contract is complicated.

The contract seems unnecessarily complicated. It is, as General Fields indicated, basically an R. and D. contract. By dividing this effort into phase I and phase II, with no commitment to build a reactor until the end of phase I (during which $7.3 million of Government money would be expended), we have in my opinion complicated the matter without really gaining any worthwhile objective. The proposal contemplates that the proposer, if he so elects, may terminate this contract, for any reason, and refund the $7.3 million expended during phase I. If, after the work is done, AEC decides the concept is not technically feasible, the contractor would not be required to refund the money. My colleagues believe that it is advantageous to have the possibility of the Government being repaid the $7.3 million. I think the possibility is remote, and that repayment, even though proposed by the contractor, has complications in it that persuade me that on this, and other grounds, we should not, at this time, proceed in this manner.

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON ATOMIC ENERGY,
March 26, 1958.

Hon. JOSEPH CAMPBELL,
The Comptroller General,
General Accounting Office,
Washington, D. C.

DEAR MR. CAMPBELL: Under section 111-b of Public Law 85-156, the AEC Authorization

Act for fiscal year 1958, the Atomic Energy Commission, before entering into any arrangement, must submit the basis of the proposed arrangement to the joint committee, and a period of 45 days shall elapse while Congress is in session, unless waived by the joint committee.

On Saturday, March 22, 1958, the Subcommittee on Legislation of the Joint Committee held a hearing concerning the basis of proposed arrangement No. 58-111-6 (copy enclosed). Representatives of the Atomic Energy Commission, the Pennsylvania Power & Light Co., and the Westinghouse Electric Corp. testified during the hearing, and a copy of the transcript of the hearing has been delivered to staff members of the General Accounting Office.

During the hearing certain questions were raised concerning the proposed arrangement, including the following:

In view of a lack of a definite obligation on the part of the proposers to construct and operate the reactor, is the proposed arrangement consistent with the program justification data submitted to the Joint Committee during the hearings on the authorization bill (P. L. 85-156) last spring?

Does the provision of payments retroactive to January 1, 1958, circumvent the intent of section 111-b of Public Law 85-156?

Funds are requested at this time only for phase I of the proposed contract (1958-59, $7 million). Would the Commission be authorized to proceed with phase II of the contract without resubmitting the proposed arrangement to the Joint Committee and the Congress?

The above questions are indicative of only some of the questions raised during the hearing. It would be appreciated if you would review the transcript of the hearing and furnish an opinion as to the proposed arrangement, including an opinion as to the matters raised by the above questions.

Your cooperation is appreciated.

Sincerely yours,

CHET HOLIFIELD,
Chairman, Subcommittee on Legislation.

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON ATOMIC ENERGY,
March 28, 1958.

Hon. LEWIS L. STRAUSS,
Chairman, United States Atomic Energy Commission,
Washington, D. C.

DEAR MR. STRAUSS: At the hearing of the Subcommittee on Legislation concerning the basis of the proposed arrangement between the Commission and the Pennsylvania Power & Light Co., several questions were raised by the Committee and staff concerning whether the proposed arrangement was consistent with the Authorization Act from a legal and policy standpoint. A request was made by the subcommittee chairman to the Commission to provide its interpretation on these questions. It was also indicated during the hearing and subsequently to the Commission that the committee intended to request review of the arrangements by the Comptroller General. A copy of a letter dated March 26, 1958, from the chairman of the Subcommittee on Legislation to the Comptroller General on these questions is attached.

The substance of the questions raised by the subcommittee may be stated as follows:

In view of a lack of a definite obligation on the part of the proposers to construct and operate the reactor, is the proposed arrangement consistent with the program justification data submitted to the Joint Committee during the hearings on the authorization bill (Public Law 85-156) last spring?

Does the provision of payments retroactive to January 1, 1958, circumvent the intent of section 111b of Public Law 85-156?

Funds are requested at this time only for phase I of the proposed contract (1958-59, $7 million). Would the Commission be authorized to proceed with phase II of the contract without resubmitting the proposed arrangement to the Joint Committee and the Congress under the 45-day provision?

In addition other questions were raised during the hearing particularly as to the adequacy of the patent arrangements to protect the public interest.

From our analysis of the proposed basis of the arrangement in light of its legislative history and the legislative intent it would appear that the basis of the proposed arrangement is not properly before the Committee for the 45-day period as contemplated by section 111b of the current authorization law, Public Law 85-162. In other words, it is our view that the basis of any arrangement the AEC submits must be consistent with the program justification data presented during the past authorization hearings, and there are substantial doubts as to consistency of this particular arrangement.

In view of the substantial legal and policy questions raised, it is our opinion that it would be desirable for the Commission to request that the project be specifically authorized as an amendment to Public Law 85-162 in the same manner as the Florida proposal.

It would be appreciated if you would provide us with a prompt reply to this letter.

Sincerely yours,

CHET HOLIFIELD,
Chairman, Subcommittee on Legislation.

CARL T. DURHAM,
Chairman, Joint Committee on Atomic Energy.

Mr. ANDERSON. Mr. President, I am not opposed to private industry participation in the atomic-power program. In fact, I believe that it should be encouraged. But I believe that the arrangements proposed by the Atomic Energy Commission must be consistent with law, including authorization acts and appropriation acts of the Congress. I believe that the proposed arrangement is not in accordance with such laws, and therefore I am introducing a concurrent resolution for the consideration of the Joint Committee and the Congress.

I understand that the Commission is giving serious consideration to withdrawing the basis of the proposed arrangement, and submitting a new basis which will be consistent with the terms of the third round. It is expected that the Joint Committee will hold a hearing on this subject soon after the Congress reconvenes on April 14, 1958. However, I believe that the concurrent resolution should be before the Joint Committee and the Congress at the time that it reconvenes, and therefore I am submitting this concurrent resolution at this time.

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT ENTITLED "ADMINISTERED PRICES—STEEL"

Mr. KEFAUVER submitted the following resolution (S. Res. 285), which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Committee on the Judiciary 4,000 additional copies of Senate Report No. 1387, 85th Congress, 2d session, entitled "Administered Prices—Steel."

AMENDMENT OF FEDERAL HOSPITAL SURVEY AND CONSTRUCTION ACT

Mr. PAYNE. Mr. President, on behalf of myself and the Senator from Vermont [Mr. FLANDERS], I introduce, for appropriate reference, a bill to amend the Federal Hospital Survey and Construction Act.

I ask unanimous consent that a statement I have prepared concerning the bill may be printed in the RECORD, together with the text of the bill.

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

The bill (S. 3588) to amend title VI of the Public Health Service Act, as amended, in order to make certain clinics in rural areas eligible for Federal aid to diagnostic or treatment centers, introduced by Mr. PAYNE (for himself and Mr. FLANDERS), 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., That subsection (e) of section 654 of title VI of the Public Health Service Act, as amended, is amended by inserting before the period at the end thereof a semicolon and the following: "except that in any case where the Federal share of the cost of the center will not exceed $25,000 and the center will serve a rural area having a population not in excess of 15,000, the application may be approved without regard to the foregoing limitations in this subsection if the center will provide services otherwise unavailable in such area."

The statement presented by Mr. PAYNE is as follows:

STATEMENT BY SENATOR PAYNE

In 1946 Congress enacted a measure which since then has contributed immeasurably to the welfare of the Nation. This was the Hospital Survey and Construction Act, commonly known as the Hill-Burton Act. The purpose of this legislation was to meet the nationwide need for new hospitals and other health facilities by making it possible for the Federal Government to share with the States some of the financial burden for hospital construction programs. Since 1947 almost $3 billion have been expended by both Federal and State Governments under the provisions of the Hill-Burton Act. Of that amount, the Federal Government's share has been $933 million. In Maine alone $18,219,000 have been spent under the act with the Federal Government sharing over $7 million of that amount.

Hill-Burton projects have included not only the construction of new hospitals or additions to existing ones, but also the construction of diagnostic centers, nursing homes, rehabilitation facilities, and state health laboratories. In Maine one of the many projects which could be cited was the $3,250,000 fund which was raised to finance a new addition to the Maine General Hospital (now the Maine Medical Center) in Portland. Hill-Burton money accounted for fifty percent of that fund. There is little doubt, therefore, that the Hill-Burton Act has played a vital role in helping States provide better health facilities for their expanding populations. Needless to say, however, the job is far from done.

A rather serious weakness has been detected in the Hill-Burton Act as it now stands. According to its provisions, Federal assistance to hospital construction can be given only if the facilities to be built are to

be administered by a public authority, such as a State, city, or town, or if the facilities to be built are to be owned and operated by a nonprofit private association or corporation, such as a hospital. These restrictions have greatly hampered attempts to construct much needed diagnostic and treatment clinics in rural areas. The reasons for this are (1) rural communities are often at the full limit of their public debt ceilings and cannot advance the money necessary for such clinics, and (2) private nonprofit associations and corporations are unwilling to accept complete ownership and operation of rural clinics, because of the considerable financial and legal responsibilities this entails. The result, therefore, has been that rural inhabitants in great need of local health facilities and willing to share in the cost of construction have been unable to obtain sponsors. This, in turn, has precluded any possibility that rural communities might obtain Federal assistance under the Hill-Burton Act.

In a very real sense, rural areas are being discriminated against under the existing provisions of the act. Urban communities essentially have been the only areas to profit from Hill-Burton money. Yet, studies have shown that a very great need exists for rural clinics. Not only would such facilities provide diagnostic and treatment facilities near at hand to better serve the needs of rural inhabitants and prevent delays which are often costly, but they would also draw to rural communities young physicians who are now avoiding such areas because of the lack of modern facilities so necessary for the proper protection of health.

It seems only fair and reasonable that people in rural areas—there are some 54 million of them who live in towns of less than 2,500—should be entitled to the same consideration for day-to-day medical care as are their contemporaries who live in urban areas. Furthermore, it is the established purpose of the Hill-Burton Act to provide medical facilities where they are most needed. It is the rural communities which are often without any such facilities whatsoever. It is these communities, therefore, which most need such services. As long as Hill-Burton funds do not reach them, the program is not accomplishing its purpose.

It is an established fact that somewhere between 85 and 90 percent of the medical problems arising in rural areas can be handled in a diagnostic treatment facility of the type envisioned by the bill I have introduced. At the present time a minor catastrophy, such as a fractured wrist, in a community of let us say 2,500 in Maine would require the physician to drive probably 25 miles to the nearest hospital for the patient to be X-rayed and have the necessary anesthetic before the doctor could reduce the fracture. The physician would then return to his hometown, and in all probability bring his patient with him. In this little saga, the physician has spent at least 2 hours acting as a chauffeur and about 20 minutes being an M. D. Young physicians who have received today's type of medical education are not interested in being three-quarters chauffeur and one-quarter doctor, and I think that none of us here today want or expect them to be.

The basic purpose of the bill I am introducing today is to provide day-to-day medical care for people in rural areas. To do this, we have to attract good, young, well-trained physicians to the area. In order to attract them, we must have a facility in which they can practice. By the time a doctor finishes his medical training, he is broke, his parents are broke, and his total assets are probably a new bride and a very old car. Is it any wonder that he is not interested in moving out into a community of 800 or 900 people and borrowing anywhere from $20,000 to $50,000 to set up a facility in which he can practice when all of this is available to him in large cities without any investment on his part? I am not saying here that the rural facilities we build be free to the practicing physicians in those areas. Physicians will have to pay rental charges for their use. But at least, the facilities must be built and only Government assistance can cope with this initial investment.

The bill I have introduced will amend the Hill-Burton Act and broaden its application in order that Federal funds might be used to assist rural communities to construct diagnostic and treatment clinics. The bill will do this by eliminating the present provision that only public authorities or nonprofit private associations or corporations which own and operate such clinics are to receive Hill-Burton funds. In other words, my bill would allow any private nonprofit association or corporation to obtain Hill-Burton funds on a matching basis without having to own outright or operate the facility to be constructed. The association might instead arrange only a contractual relationship with an existing nonprofit hospital.

Naturally, there must be safeguards to such an accommodation. My bill includes these. It limits the amount of Federal assistance to $25,000, it specifies that only areas with populations not exceeding 15,000 people are eligible for the aid, and it also specifies that such facilities are to be constructed with Hill-Burton funds only if they will provide services not otherwise available in the area.

These restrictions in the bill will eliminate the danger that corporate groups or employee plans will monopolize funds for treatment centers, by limiting the grants to $25,000 on a matching basis, and restricting the facility to a strictly rural area, and the restrictions also eliminate the danger that the centers will duplicate and compete with existing facilities by restricting such facilities only to areas not otherwise provided with the type of services offered by such facilities. This bill would be administered under the regulations of the Department of Health, Education, and Welfare and in close cooperation with State medical groups, such as the Hill-Burton Advisory Committees. All the safeguards, therefore, which are now part of the Hill-Burton Act would remain.

This bill, if enacted, would greatly benefit the Nation by making it more possible for rural communities everywhere to acquire the health facilities which they badly need and are entitled to have. The greatest asset of any nation is good health. We must make certain that our health standards are constantly improved and that our citizens everywhere—in the cities and on the farms—are assured of modern facilities easily accessible to protect their health in line with the great advancements being made in medical research.

Mr. PAYNE. Mr. President, I also ask unanimous consent that the bill may lie on the table until noon tomorrow, to afford all interested Senators an opportunity to cosponsor it.

This is a matter I have discussed for the last month or so with the senior Senator from Alabama [Mr. HILL] so he is fully aware of it. It is possible that much consideration will have to be given to this particular proposal. Therefore, I felt it desirable to introduce the bill at this time, so that it might be given consideration in the proper committee.

The VICE PRESIDENT. Without objection, the bill will lie on the table, as requested by the Senator from Maine.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENT

Mr. MORSE submitted an amendment, intended to be proposed by him, to the bill (S. 3318) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, which was referred to the Committee on Foreign Relations, and ordered to be printed.

COMMUNITY FACILITIES ACT OF 1958—AMENDMENTS

Mr. CASE of New Jersey (for himself, Mr. JAVITS, and Mr. KUCHEL) submitted amendments, intended to be proposed by them, jointly, to the 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, which were ordered to lie on the table and to be printed.

SALINE WATER DEMONSTRATION PLANTS — ADDITIONAL COSPONSORS OF JOINT RESOLUTION

Mr. ANDERSON. Mr. President, I ask unanimous consent that the names of the distinguished junior Senator from South Dakota [Mr. CASE] and the distinguished junior Senator from California [Mr. KUCHEL] be added as cosponsors with me of Senate Joint Resolution 135, which provides for the construction by the Department of the Interior, of a full-scale demonstration plant for the production, from the sea or other saline waters, of water suitable for agricultural, industrial, municipal, or other beneficial consumptive uses.

Hearings were held on the joint resolution on March 20 and 21 by the Subcommittee on Irrigation and Reclamation of the Senate Committee on Interior and Insular Affairs.

The hearings developed the urgency of the need for expediting demonstrations of the most economical processes for desalting sea water for the benefit of coastal cities where population and industry requirements for water are mushrooming. This is particularly true of southern California coastal cities.

No less pressing are the needs for demonstrating the most economical means of treating brackish water in the Nation's interior areas, for municipal, agricultural, and industrial uses.

We were somewhat taken aback by the unwillingness of the Department of the Interior and the Bureau of the Budget to recognize the need for early solution of the problems involved in demonstrating the most economical methods of turning vast water resources to potable uses. However, we believe that, when the facts developed at the hearings are read and digested, delaying tactics will be obliterated, and greater support will come from all sources.

We expect early consideration of Senate Joint Resolution 135 by the Committee on Interior and Insular Affairs, with a view to laying the problem before the Senate in the form of an amended resolution.

In order that the Senate may have a concise view of the Nation's water problem, I ask unanimous consent to insert in the RECORD at the conclusion of my remarks a tabulation prepared from official sources of past, present, and future water consumption in the several categories of major uses. The tabulation was prepared by the Corps of Engineers, United States Army, from a Department of Commerce report in 1956.

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

	United States population	Daily average per capita water use (gallons)			
		Industrial	Agricultural	Domestic	Total
1900	75, 994, 575	197	266	66	529
1910	91, 972, 266	223	424	75	722
1920	105, 710, 620	265	529	79	874
1930	122, 775, 046	321	490	89	900
1940	131, 669, 275	389	539	100	1, 029
1950	150, 697, 361	560	664	124	1, 348
1960	176, 100, 000	849	766	159	1, 774
1970	196, 300, 000	1, 074	810	177	2, 061
1975	206, 600, 000	1, 193	821	179	2, 193

NOTE.—Computed from data presented in Department of Commerce Bulletin BSB-136 dated January 1956.

The VICE PRESIDENT. Without objection, the names of the Senator from South Dakota [Mr. CASE] and the Senator from California [Mr. KUCHEL] will be added as cosponsors of the joint resolution, as requested by the Senator from New Mexico.

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. HUMPHREY:

Article entitled "Public Health: A Cause in Common," written by him, and published in Today magazine for April 1958.

ROY H. GLOVER

Mr. MANSFIELD. Mr. President, last night a friend of many years' standing, Roy H. Glover, chairman of the board of the Anaconda Co., passed to his reward.

Roy Glover was born in Washington State, and was educated in Washington and in Oregon; he came to Montana as a young man, and made his mark in life in our State. Not only was he a son of Montana, but he was also closely identified with the entire Northwest, and, for that matter, with the entire United States.

He was a man who understood the responsibilities of big business and, at the same time, understood the other fellow's point of view. He thought of both his stockholders and his employees, but at the same time he thought little of himself. He believed in the cause of unionism, and during his career he endeavored to iron out differences, reach equitable understandings, and bring about a better relationship between the company he represented and the people it employed.

His philosophy was well stated in a paragraph of the speech he delivered before the 53d annual convention of the International Union of Mine, Mill, and Smelter Workers, in Denver, Colo., on March 12. In that speech he said:

We, in Anaconda, believe in unionism. As a matter of fact, Butte, which is the birthplace of Anaconda, has always been a union town; and we would not have it otherwise. This long experience goes back even into the last century, with the predecessors of your union, and to a time when those who brought unionism into the steel industry and the automobile industry were not yet even little boys in knee breeches. Of course, we have had our trials and our tribulations and our problems which at times seemed insoluble. However, we have learned that so long as difficulties remain in the realm of problems, men of good will can find solutions. So long as we approach our problems from this standpoint, we have a good chance of preventing them from developing into real troubles.

The address which Roy Glover delivered at the annual convention of the Mine, Mill, and Smelter Workers was the address of an industrial and business statesman. He was aware of the facts of life as they are today, and his gaze was ever forward and ever beyond the present. He understood human nature and human beings, and I think that those who worked for him and with him understood the man that Roy Glover was. His friends will miss him because of his warm personality, his depth of human understanding, and his tolerance and appreciation of the views of others.

Butte, Anaconda, Great Falls, Bonner, Missoula—all Montana and all the other States in which his company had mines, mills, smelters, and fabricating plants will miss him. His friends are legion; his good works will remain a monument to his life; and what he has done will be long remembered and not soon forgotten. He was a good and a decent man.

His counsel was sought by industry, government, and organized labor. He was honored by all men because of his humanitarianism, his unfailing courtesy, his kindness, his consideration, his understanding.

To his wife, Helen, in her hour of great sorrow, Mrs. Mansfield and I extend our deepest sympathy. We know that Mrs. Glover contributed greatly to the success of her husband. We know that his passing will place a great burden on her. Words, Mr. President, are really useless to express one's feelings at a time like this, but they are the only means we have at our command to mark the passing of a friend of many years, a man whom we admired greatly, a man whose memory we shall always cherish, and a man whose passing will leave a void hard to fill. May his soul rest in peace.

Mr. President, I ask unanimous consent that the text of the address delivered by Mr. Roy H. Glover before the 53d Annual Convention of the International Union of Mine, Mill, and Smelter Workers, in Denver, Colo., on March 12, 1958, be incorporated at this point in the RECORD.

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

ANACONDA CHAIRMAN, ROY H. GLOVER, SPEAKS ON COPPER PROBLEMS AT MINE-MILL CONVENTION

Following is the text of the address delivered by Roy H. Glover, chairman of the board of the Anaconda Co., before the 53d Convention of the International Union of Mine, Mill & Smelter Workers in Denver Wednesday morning:

"It is indeed a pleasure and a privilege for me to appear before this convention with the opportunity to discuss the problems that we have in common and the future of the industry in which we are all so vitally interested. We all know that the mining, smelting, refining, and fabrication of nonferrous metals production is fundamental and basic in our present-day way of life and civilization, and that no one is engaged in more important pursuits than we who are employed in this industry. It is for the purpose of discussing this very important subject that I appear before you.

"Although this is the first time that I have appeared on the platform at one of your conventions, I still feel perfectly at home. Years of association with members of this union, and countless days of meetings across the negotiating table with your officers and negotiating committees, have developed acquaintanceships and deep and abiding friendships that I shall always cherish.

"The first of these friendships to develop was with your esteemed president, John Clark. The beginning of our friendship must have been 35 years ago at Great Falls, Mont., where I was a struggling, young lawyer and John was employed at the Black Eagle reduction plant of the Anaconda Co. I recall that there was a special interest we had in common and in regard to which we never got tired of talking and exchanging information, and that was trout fishing on those magnificent Montana trout streams. In this connection, I recall one time when John was called as a juryman on a case I was trying. The lawyer on the other side was examining the members of the jury as to their qualifications, including any possible acquaintanceship with my client and also with me. He finally came to John, who stated he did not know the other lawyer's client and knew nothing about the case other than what he had heard in the courtroom. The lawyer then asked him whether he was acquainted with me, to which John replied, 'Yes; I know him.' The lawyer then asked how well he knew me and John said, 'Well, I see him occasionally fishing on a stream.' The lawyer then said, 'Oh, so you go fishing together, do you?' to which John replied 'No; we don't. You see, he is a bait fisherman and I am a fly fisherman, so I wouldn't take him fishing with me.' Actually, to my own personal knowledge, John was bragging a little bit because I have seen him go for grasshoppers when they wouldn't take a dry fly. Also, I still insist that my fly fishing is almost as good as his.

"Eventually John became secretary of the Great Falls Local, No. 16, and the Anaconda Co. became one of my clients. Thereafter we met officially in many matters and I gradually developed a feeling of respect and admiration for his integrity, his courage, and his high degree of intelligence that persists with me to this day. It was in this period of time, also, that I came to know Larry Mower, who had his training under John and who succeeded him as secretary of the Great Falls local. Larry has been a worthy successor.

"And leaving my law practice in Great Falls and going to Butte, in charge of the company's legal department there, was not an

easy choice. However, we were in the middle of the war and the change afforded an opportunity for even closer contact and work with your officers and committees. Those of you who were in official positions at that time will recall the protracted labor negotiations, invariably followed by hearings before the Nonferrous Metals Commission in Denver, frequently followed by factfinding committees and participation by the War Labor Board in Washington. There were also the labor-management committees which were finally terminated at the request of the unions, based upon the wise decision that in such matters there could not successfully be a division of responsibility.

"It was my privilege to actively participate in all of these matters, as well as in all subsequent labor negotiations, to the time I left Montana, finally, in 1952. When I say that I am perfectly at home here, you can well understand from this background that my many friends here are those with whom it has been my privilege to negotiate and discuss mutual problems over a period of many, many years.

"We, in Anaconda, believe in unionism. As a matter of fact, Butte, which is the birthplace of Anaconda, has always been a union town and we would not have it otherwise. This long experience goes back even into the last century, with the predecessors of your union, and to a time when those who brought unionism into the steel industry and the automobile industry were not yet even little boys in knee breeches. Of course, we have had our trials and our tribulations and our problems which at times seemed insoluble. However, we have learned that so long as difficulties remain in the realm of problems, men of good will can find solutions. As long as we approach our problems from this standpoint, we have a good chance of preventing them from developing into real troubles.

"I believe I should now turn more specifically to the subject that your president suggested I discuss, the outlook for copper. Taking it from the standpoint of the long term, there is no question whatsoever, and on this basis I could say very quickly and without equivocation that the outlook is excellent. With the growing populations and industrialization of the entire world, there is no question that copper will be in the future, as it has been in the past, in ever increasing demand. Unfortunately for us who expend our labor and our capital in the industry, the intermediate situation requires the consideration of many factors in order to arrive at a conclusion. This shorter range outlook is naturally tied with problems and these problems are in many instances in common with those of lead and zinc.

"There are, however, some fundamental differences in the problems, such as, for instance, that lead and especially zinc are produced in substantial quantities from literally hundreds of places in the world; whereas there are relatively few areas in which copper is found.

"Also on the basis of present conditions in the industry, a 4 percent cutoff grade in the deep-vein copper mining makes it possible to barely break even at present prices; whereas in similar zinc mines in the United States, it isn't possible to break even with an 8 percent cutoff point, with zinc at the present level of around 10 cents per pound. This means the bypassing and thereby losing forever the grades of ore below the 4 percent and 8 percent, respectively, and frankly, this growing world, with its increasing demands, can ill afford such prodigality.

"I am sure you would be interested in knowing the principal sources of copper that are used in the United States, and for this purpose I have chosen the year 1957, which figures are now available. Those sources and tonnage are as follows:

"Principal copper sources for United States, 1957

[In short tons]

Domestic:		
Primary	1,116,380	
Secondary	112,060	
		1,228,440
JANUARY–SEPTEMBER		
Chile	180,194	
Canada	89,254	
Mexico	35,023	
Peru	31,150	
Cuba	13,149	
Bolivia	3,278	
Other western	202	
		352,250
Rhodesia	33,759	
Union of South Africa	14,765	
Belgian Congo	8,571	
		57,095
Australia	12,555	
Philippines	10,611	
Cyprus	6,662	
Turkey	2,127	
Other	705	
		32,660
Total Free World production		3,032,531
Iron Curtain countries (estimated)		500,000

"Next, I am sure that you would be interested in knowing the disposition of this copper in the year 1957, and how it compared with the years 1956 and 1955.

"The statistics in this regard are as follows:

"Free World copper statistics—Total, Free World

[Short tons]

	1955	1956	1957	Percent change	
				1955–57	1956–57
Refined output	2,728,309	2,987,160	3,032,531	+11.5	+1.5
Delivered to fabricators	2,744,391	2,832,978	2,850,064	+3.8	+.6
Refined stocks, ending United States	221,331	354,420	458,340	+100.7	+29.3
Refined output	1,467,448	1,580,387	1,616,964	+10.0	+2.3
Delivered to fabricators	1,446,354	1,465,999	1,277,946	−11.6	−12.8
Refined stocks, ending outside the United States	61,554	120,645	181,024	+194.9	+50.0
Refined output	1,260,861	1,406,773	1,418,624	+12.6	+.8
Delivered to fabricators	1,298,037	1,366,979	1,575,361	+21.4	+15.2
Refined stocks	159,777	233,775	277,316	+73.5	+18.6
1957 Free World stocks	458,340				
1956 Free World stocks	354,420				
Difference	+103,920				

[Short tons]

	United States	Europe
1956, delivered to fabricators	1,465,999	1,366,979
1957, delivered to fabricators	1,277,946	1,575,361
Difference	−188,053	+208,382

"Some very significant facts emerge from an analysis of the foregoing statistics. Among them is the tremendous increase in the European use of copper during the 1955–57 period of 21.4 percent. You will note that 15.2 percent of this increase occurred in the 1956–57 period. Between 1955 and 1957 this increase amounted to 277,324 tons. The 1957 increase alone was 208,382 tons. This increased European demand could not have been met from current production except for the fact of the decline in deliveries to United States fabricators between 1956 and 1957 of 188,053 tons.

"In only two of the past 10 years have deliveries to fabricators in the United States been as low as in 1957 and these were the years 1949 and 1954 which were followed each time by two abnormally high delivery years. This reduction in the United States has been accomplished, as it was in the other 2 years, by resort to inventories; but this time the available copper has gone to Europe to help fulfill the ever-increasing standard of living that is developing there. As a matter of fact, this European demand is becoming so insistent, that shortly after the first of the year we had placed all of our copper from our planned production for the year 1958, plus our 1957 carryover, for delivery during 1958. Since then, the principal function of our sales organization has been to explain to our European customers and others who wish to become customers, why it is not possible for us to deliver to them additional 1958 copper.

"The answer is, of course, simple. The present price does not justify the production of available higher cost copper. Make no mistake about it, however, a new middle class is arising in England and in Europe, which is demanding and obtaining in ever-increasing quantities those things which we have in such abundance in the United States and which contribute so greatly to our American way of life. Copper is an integral and indispensable part of many of these items and that is the cause for the tremendous increase in European demand.

"I mentioned before that copper appears in a comparatively few places in the earth. There are three principal sources, the United States, standing first with an average of less than a 1 percent grade; Chile is second, with an average of 1.5 percent grade; Africa is third and their grade is substantially higher than either of the others. You will note that the United States with its less than 1 percent average grade stands third in the list in grade, yet it has the lowest cost as well as the highest cost copper in the world. It is not so difficult to understand why, with its deep vein properties, the United States could have the highest cost copper, but it is not so simple at first thought to realize that with our wage scales and low grades we could also have the lowest cost copper. The reasons are largely threefold: The proximity to markets, the availability of necessary supplies, and a high recovery of byproducts that constitute a credit to the copper cost. This latter is an extremely important factor. We will take as an example our open-pit mine at Chuquicamata, Chile, in comparison with the lowest cost producer in the United States. Our Chilean mines are similarly equipped and have double the grade of ore of the United States mine. Our stripping ratio of waste to ore is about one-third, and our labor cost is largely the same. The natural conclusion would be that we would produce copper in Chile for about one-half the cost of the United States property; but the fact is that their costs are higher than ours. This is because our property is located in an isolated area thousands of miles by rail and ocean freight from substantial markets, and conversely every pound and ton of supplies we use must be transported hundreds of miles by rail if it is available

locally, and thousands of miles by ocean and by rail if it must be purchased abroad. And yet our property is located only 150 miles from the seaport. The disadvantages of isolation are multiplied many times in the case of the African production and this isolation cannot even be overcome by their higher grades of the minable ore. Even with their higher grades, their costs are higher than those of the low-cost producers of the United States or the large producers of Chile. Additionally, they have a situation of inefficiency of labor such as is not encountered in this hemisphere.

"One of the extremely and probably most important things to me is the feeling that I have that I can come to your leadership with my problems as well as having you tell me yours. In this period of falling prices and declining business activity, it has been a great comfort to know that we could sit down and discuss our difficulties as mutual problems. It is this sort of cooperation that makes it possible for us to confidently face together the problems of the future, and of course one of the greatest of these problems is and will continue to be various types of competition, especially in regard to manufactured goods.

"There is another matter of which I believe I should speak, for the reason that in my judgment it imposes a threat to the well-being of our entire country, and this is the so-called cost of living increases which have been put into effect in some industries in this country. This formula is one that had been tried for 30 years and then repudiated, in Australia, and one that feeds inflation more than any other single element. In recent years I have seen this same formula come to its pernicious height and final repudiation in Chile, where it was enacted into law by the Congress some 20 years ago under the name of "sueldo vital" or "vital salary." Although the adjustment was made in that country only once each year, the impact from it really destroyed the economy of the country and it was finally repealed by the Congress in 1956. This seemingly innocent and benevolent sounding formula feeds on itself and is bound to have disastrous results in the economy of any country where it has universal application. It has the same progressive result as the compound interest table. Thus in the first 3 years of its application in Chile, the resultant increase was only 5.95 percent, at 6 years 42.86 percent, at 10 years 250 percent, at 15 years 1,011.90 percent, while at the end of 20 years, the increase amounted to 8,253.81 percent.

"The steel, automobile and a few other industries are now traveling this highway. The only reason the effect has not already been more violent in this country is that it has not had more universal application. The law was repealed by the Chilean Congress, and within a year and a half the rate at which the cost of living was increasing was reduced by 75 percent.

"I cite the experience in Chile as the inevitable inflationary results of such a policy as has been adopted through the efforts of the unions in certain industries. The most striking effect of inflation in one country is the resultant inability to compete successfully with countries of more stable currency. This was of course carried to its extreme in Germany following World War I and World War II, where total destruction of existing currencies was part of the ultimate remedy. So pronounced was the effect, that today the enlightened labor leadership of West Germany inquires as to the inflationary effect of any move it may contemplate before translating it into demands. The results of this enlightened policy are well known throughout the world in the tremendous job of rehabilitation that has been accomplished in the German economy.

"In our own industry, we are running into some serious problems in competition from abroad. In connection with our brass mills and their operations, we now have the experience of meeting the competition of brass tubes from abroad, as an example, that are offered at 45 percent under our price, and yet our price carries with it a very minimum of profit. The percentage of the business of the brass mills taken over by foreign competition has increased from one-half of 1 percent in 1952 to 6 percent in 1957, and the 6 percent represents the most desirable and profitable part of the business. In other words, they leave the unprofitable items to us and take over the items where a decent margin of profit may be obtained. It was recently stated by the Copper & Brass Research Association that the existing situation had transformed 50 million pounds average annual export of brass-mill products to net imports of about 90 million in 1957, or an overall loss of 140 million pounds, representing a year's output of more than 2,000 workers in United States industry.

"In the electrical industry I know of one instance where a bid of $2,400,000 was made by an American firm on a high-pressure turbine, but the job was taken by a West German firm for $800,000, which was 33⅓ percent of the American bid. This was a tailor-made job to exacting specifications, but nevertheless the difference in price was shocking.

"A short time ago, I noticed the testimony of Mr. Colbert, the president of Chrysler Motor Co., before one of the committees of the Congress of the United States, to the effect that the Chrysler Co. had investigated the possibility of manufacturing a low cost, small car for competition with European cars of similar size and price range, and had determined that they could not be manufactured competitively in the United States. We all know that Ford and General Motors have both gone to Europe for such competitive production. At one time it was said freely in this country that the coal mining unions were the best friends the natural gas industry ever had. They have belatedly recognized the plight into which the coal industry has fallen, with its resultant unemployment and misery for thousands. From the looks of things as of now, it would seem that this saying might shortly be aptly applied to the United States automobile industry in relation to foreign automobile manufacturers. If the same philosophy and policy is then carried over into steel, as was the cost of living formula, then I suppose the thought would be that we, in the United States, could return to our agricultural pursuits and the furnishing of raw materials from our mines, mills and smelters to supply a completely industrialized Europe. This of course cannot and will not occur, but it is the inevitable trend of these wrong policies. We would get along all right with our mines and smelters, but it would be pretty tough on our fabricating operations.

"Another difficult thing for us who are engaged in industry to stomach, is the sort of governmental effort that was disclosed by an article in the New York Times of February 16, in which it was reported that a branch of our Government had requested the Air Force to specify British manufactured engines for military aircraft. This request may have been laudable as a fulfillment of promises made by the State Department in connection with the establishment of military bases in England, in connection with the NATO program, but it is pretty tough for American aircraft workmen whose unemployment insurance is running out, as well as American manufacturers whose plants are idle.

"I am sure the question with which we are all most frequently met is, "When are things going to change?" To the man out of work this means, when will he again have a job?—and to the man faced from day to day with ultimate executive responsibilities and problems it means that a wrong appraisal of the situation may have very serious repercussions to thousands of people. If I could give you a categorical answer to this question, I would probably be the most valuable person in the world today. Yet the man out of work and the executive, each has to make his best possible decision based upon the information available to him. It is because of the complexity of the problem that I have outlined for you a few of its many facets. There are some factors, however, which to me are very apparent.

"In the first place, inventory liquidation in this country, which the United States Department of Commerce reports as having started with the last quarter of 1957, actually began in our industry a year earlier, in September 1956, and continued throughout the entire year of 1957. This liquidation has been carried to the place that immediate delivery is now demanded of our fabricators on nearly all orders and, while numbers of orders have increased manifold over those received in days when our business was good, the quantities on each order are very much less. Actually, in some instances we have had to increase the number of order clerks to handle a much lower volume of business. Many of our very important customers now freely say that their inventories are on the tailgates of our trucks.

"In the second place, if you add the amount of already announced reductions in 1958 world production of around 275,000 tons to the beforementioned 188,053 tons of 1957 decrease in deliveries to United States fabricators, which was largely accomplished through inventory liquidation, you arrive at a figure of 463,053 tons against year end world stocks of 458,340 tons.

"Statistically, therefore, contrary to general impressions, our industry is not in a bad situation. Inventories of users have been liquidated to the place where any substantial reversal in the general trend of business should cause such a demand for our products as to result in prices sufficient to again support higher cost properties that have been curtailed or closed, and the resumption of normal operations in our fabricating plants. When this reversal in general business trend will occur is therefore the only question. I notice that President Eisenhower and Mr. Meany agree in saying that it will be during the current month of March. I can only say that I most sincerely hope the end of the month will have seen their predictions fulfilled and that the precarious balance will not then be upset in the following month by real troubles in the automobile industry. In my judgment, it is apprehension of this latter event that has really put the brakes on general business and caused intensive inventory liquidation in recent months.

"Again may I express my pleasure at being with you and at the opportunity it has afforded of again seeing, and visiting with, so many of my old friends. One of the very real penalties of living in New York is that it deprives me of the chance to sit down and take five and chew the rag and lift a few with the old gang, and I sure miss it. I hope you will forgive me for burdening you with my problems. My excuse is that I feel they are likewise your problems, and it really gives me a lift to be able to unburden myself to you."

Mr. MURRAY. Mr. President, I wish to associate myself with the remarks of our distinguished acting majority leader [Mr. MANSFIELD] on the passing of a great American industrial leader.

The sudden death of Roy H. Glover, chairman of the board of a great American corporation, the Anaconda Co., comes as a serious shock to the people of Montana and the Nation. Mr. Glover was

the directing force in one of the great mining corporations of the world, with wide-flung operations in the metal-mining industry in the United States and South America. He has been a great force in bringing about the high character of public relations now existing in the metal-mining industry of Montana and other sections of the United States and South America.

Because of the serious and depressing conditions now existing in the metal-mining industry, Mr. Glover had been under severe pressure and strain in endeavoring to find correct solutions of the metal-mining problems of our country.

He was a man of outstanding ability, and his grasp of the factors creating the present depression in the field of metal mining was recognized by all who knew him. He was giving constant attention to the serious problems affecting the industry, which required him to be actively and constantly engaged in conferences and meetings, while seeking correct solutions of the problems of this great American industry which is so important, not only to the economic welfare of the country, but to the national defense, as well.

Roy Glover was a man of high integrity. He had a deep and abiding concern for the welfare of the mining industry and for the welfare of the people dependent upon that industry for their livelihood.

During his years of association with the Anaconda Co., in Montana, Mr. Glover took an active part in civic affairs. His leadership was sought in many worthwhile community movements essential to the economic and social welfare of Montana.

Mr. President, Montana has lost a great industrial leader. We who knew him so well, and who recognized his sincere and honest motives in all his activities, will long mourn his passing. We extend our heartfelt sympathies to his grieving widow and family.

RECOVERY PROGRAM FOR DOMESTIC METAL MINING INDUSTRY

Mr. MANSFIELD subsequently said:

Mr. President, my good friend and colleague, the senior Senator from Montana [Mr. MURRAY], on March 11, 1958, addressed the convention of the International Union of Mine, Mill & Smelter Workers at Denver, Colo. The title of his speech was "Recovery Program for the Domestic Metal Mining Industry"—certainly an appropriate theme at this period of depression in our mining economy.

If there is any Member of the Senate completely competent to discuss this subject it is Montana's distinguished senior Senator, JAMES E. MURRAY. In 1901 he was a card-carrying member of the Butte Miners Union and subsequently, through his entire political life, he has been mining's great champion. I have associated myself with him as cosponsor of many measures which, from time to time, he has devised to aid all segments of the mining industry. As chairman of the Senate Interior and Insular Affairs Committee, Senator MURRAY has been in a peculiarly fine position to guide the Senate in its mining legislation. He has just completed a series of most comprehensive hearings to obtain a complete cross section of opinion from Government and industry designed to furnish the data and opinions from which to formulate the much-sought-after and long-delayed long-range mineral program which this country needs so much but which does not seem to be forthcoming from the present administration.

Mr. President, Senator MURRAY's expert analysis of the predicament in which domestic mining finds itself should be brought to the attention of all Members of the Senate, the House, and the public. As he remarks, "the Congress cannot stand idly by and permit the domestic mining industry to be wrecked and destroyed without a fight for survival." I ask unanimous consent that Senator MURRAY's speech be printed in the RECORD, following the remarks made by the distinguished senior Senator from Montana earlier today.

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

RECOVERY PROGRAM FOR THE DOMESTIC METAL MINING INDUSTRY—ADDRESS OF UNITED STATES SENATOR JAMES E. MURRAY, DEMOCRAT OF MONTANA, CHAIRMAN OF THE SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE, BEFORE THE 53D ANNUAL CONVENTION OF THE INTERNATIONAL UNION OF MINE, MILL & SMELTER WORKERS, DENVER, COLO., MARCH 11, 1958

Mr. Chairman, John Clark, my friend of many years, president of the International Union of Mine, Mill & Smelter Workers, other officials and members of the union, distinguished guests, ladies and gentlemen, it is a real pleasure to be here in Denver as a guest of this great union of mine, mill, and smelter workers.

If this convention were being held away back at the beginning of the century, I could qualify as an active member of the Butte Miners Union. In 1901 I was a card-carrying member of that union, employed at the Ticon mine, between the Bell and the Diamond. In those days I lived at a miners' boarding house on Granite Street known as The Hazel, and daily carried my lunch bucket up Dublin Gulch to the Ticon mine on the top of Butte Hill, long known as the greatest mining camp on earth.

I shall never forget those early days in Butte and the good friends I made and have kept among the miners of that area. I owe much of my success in life to that early start and the good friends I found when I was a mucker at the Ticon mine.

I will not dwell at further length on the early and exciting days in the famous Butte mining camp. I wish to say, however, that after leaving my job at the Ticon and entering the practice of law I always maintained friendly contact with the miners of Butte and have always had their full support in all of my political activities. I cooperated always with the miners union in all of its efforts to bring about better working conditions, health regulations, and the various other rights and benefits which the miners of Butte were entitled to in the hazardous work they were performing.

But, my friends, I have been invited here today to discuss with you the serious problems and conditions in the mining industry which confront us at this time. You, of course, are quite familiar with these conditions. I shall not, therefore, go over at length the statistics on surplus world production of minerals, the pressure of low-priced imports, lowered consumption in our country, and the resulting widespread shutdowns, curtailments of the workweek, and consequent reduction in take-home pay. We all know that critical unemployment and general distress prevail today throughout the mining areas of the Nation.

I am sure you are all familiar with the figures in detail. You know the reasons for our troubles. But you must be, as I am, confused about the administration's callous attitude toward these problems.

I should not fail to mention here the splendid testimony your officers presented before the Senate Finance Committee, the House Ways and Means Committee, and the United States Tariff Commission in connection with our efforts to obtain relief for the lead-zinc industry. Their statements were recognized by Members of the House and Senate, and by all other interested parties, as the outstanding testimony presented at these various hearings. I am sure that at future hearings on copper legislation, your officers will again present the same character of able and convincing testimony that will be helpful to us in our efforts to secure favorable action.

The worst and most widespread source of trouble confronting us is the drop in prices of lead, zinc, and copper, resulting from world overproduction, low-priced imports, and lack of adequate tariff protection. I have felt that the Reciprocal Trade Agreements Act, properly amended so that domestic industry is adequately protected, can be of considerable advantage not alone to the mining industry but also to our overall industrial economy. I do not feel, however, that the act should be extended unless provision is first made to insure the prosperity of our domestic mining industry, so that our miners can be put back to work on a full-time basis.

Last year the lead and zinc industries got together and established an emergency committee to press for relief. Several bills were introduced in the Congress, which I cosponsored, to increase the import tax on these metals. The House Ways and Means Committee and the Senate Finance Committee held hearings on one of these bills, drafted by the administration. The Ways and Means Committee, which traditionally acts on such a measure before the Senate does, felt that administrative relief should first be sought from the Tariff Commission through the so-called escape clause procedure of the Trade Agreements Act.

As you know, this escape clause was built by the Congress into the Reciprocal Trade Agreements Act as a device whereby a domestic industry injured by foreign imports could, if approved by the administration, escape from its troubles. Unfortunately, the present administration has used it as a means of escaping from its responsibilities.

The Emergency Lead-Zinc Committee presented its case November 19-26, 1957, after President Eisenhower urged the Commission to take quick action, but the Commission has not seen fit to be in a great hurry. After the Tariff Commission makes its recommendations to the President under the provisions of the escape clause, he still must approve or disapprove them. Even should the Commission make the maximum recommendations permissible under the escape clause and should the President approve, the relief still would not be enough to pull the lead-zinc industry out of its depression. Depending upon what relief is allowed, a new bill will have to be introduced and new hearings scheduled. As the Congress progresses toward adjournment, every moment is precious. If legislation supplementing the escape clause action, whatever it may be, is not passed at this session, the lead-zinc industry and your union may suffer for nearly another year. The matter is

largely in the hands of the administration. The President could, and should, have acted on his own volition many months ago, but he passed the buck, and is still escaping responsibility.

Copper is in a somewhat different situation. As the copper excise tax has been suspended by law for some years, and still is, the escape clause route cannot be relied upon by the copper producing industry. The present law provides that if copper drops below 24 cents a pound then a tariff of 2 cents per pound shall be applied. This 24 cents per pound figure is called the peril point for copper. Inasmuch as this 24-cent figure was established in 1932, it is absurdly low when judged by today's economic standards—just as is the 2 cents per pound tariff rate which was cut from 4 cents by Presidential action in 1956.

Today a peril point of 30 cents and restoration of the excise tax to 4 cents is absolutely imperative. Bills to effect this necessary change have been introduced by myself and others both in the House and the Senate. No hearings yet have been scheduled by the House Ways and Means Committee and the Senate Finance Committee, the committees which must consider these bills.

Last year Secretary of the Interior Seaton sent to the Congress his long-awaited and greatly desired long-range minerals program. It was presented in two bills, one of which was the lead-zinc import tax bill I just mentioned. This bill, being a tax measure, does not come within the jurisdiction of the Interior and Insular Affairs Committee, of which I am chairman. The other bill, which I also cosponsored, and which was assigned to my committee, was in two parts. Title I of the bill merely extends the work the Defense Minerals Exploration Administration now is doing, but by no stretch of the imagination could it be of any immediate help in the present economic crisis.

Title II of the bill sets up incentive payments—just other language meaning subsidy payments—for beryl, chromite and columbite-tantalite. The Senate Interior Committee held hearings on this bill, S. 2375 (85th Cong., 1st sess.), in July and August of 1957. The testimony of the industry witnesses was that title II does not include many important minerals, nor is the subsidy sufficient on those it does cover to do any good. As one witness remarked, "the bill is designed to allow the strategic mineral mining business to die peacefully."

I have called for new hearings beginning March 24, at which time Secretary Seaton will have a chance to make new proposals for a genuine long-range program. The Senate Interior Committee has not reported S. 2375 because in the form proposed by the administration it is useless and, should the committee on its own volition write a bill which would really help the industry, it stands a very good chance of being disapproved by the administration. However, if the administration does not come up with a satisfactory answer, it is incumbent upon the Congress to do so and take a chance on a veto.

The Congress cannot stand idly by and permit the domestic mining industry to be wrecked and destroyed without a fight for survival.

I would also like to point out that there is a crying need for further research in respect to the problem of silicosis. As all of us know, in the Butte area the mining corporations operating there have made a very splendid effort to overcome this scourge. Of course, we must not be content with the progress so far made; we must continue our efforts until the problem is completely solved. The Government has the duty to those who mine to do everything possible to eliminate this scourge that has affected so many American miners.

And while I am speaking of the situation in my home community of Butte I wish to call attention to the fact that I am very pleased to note the fine spirit of cooperation prevailing between the union and management of our important mining industry. This is the way it should be. Working together, both the industry and the workers will profit. I wish to commend Mr. Roy Glover, the able and public-spirited executive of the Anaconda Co., for his fine contribution to good working conditions in the mining industry.

To sum up the main stream of this discussion, we face this situation:

1. A lead-zinc price improvement dependent upon administration action plus legislative action.

2. A copper price upon which the miners could depend for full employment, dependent upon legislative action to increase the peril point and the excise tax which may not win Presidential approval even when passed by Congress.

3. To date a weak administrative approach to curing the ills of certain of the strategic and critical mineral producers.

The direct subsidy approach has long been considered by some people to be the cheapest and most satisfactory cure for the troubles of domestic mining, but opposition by the administration and certain industry groups to a general subsidy program based upon the old premium price plan makes it improbable that such legislation could be passed. A good deal of thought is being given to an import quota formula which would encompass the entire domestic mineral industry. Very probably there would be a great deal of resistance to such an approach, but it is not an impossible thought. Tariffs or excise taxes are feasible only for some minerals. The Congress is looking for an overall plan which will be acceptable to industry, the unions, and the administration. Until such a formula is worked out, it appears that piecemeal legislation is the order of the day.

The immediate situation is anything but rosy—the recession shows no signs of coming to a halt. I know the members of this union will get behind the measures which stand a chance of giving protection to copper, lead, and zinc at this session of the Congress, and that you also will consider sympathetically whatever legislation the Senate Interior Committee devises to aid the other segments of the domestic mining industry.

You all know there are certain areas where, either because of exhaustion of ore bodies, reduction in grade, such as we find in many areas, or other economic conditions, unemployment in mining is chronic. I would be remiss if I did not point out that your union should consider studying the possibilities of bringing in new industries in such areas to diversify job opportunities.

Abundant, low-cost electric power is the key to further expansion and diversification of industry in the West. We have made great progress under the program of Federal multipurpose projects which began back in the thirties and continued until the present administration came into office 5 years ago. We must continue to work for the full development of our great river systems. And we must see to it that the people receive their full share of the resulting benefits, through low-cost electric power, reclamation, effective flood control, improved navigation, and adequate recreation facilities.

The Democratic leadership in Congress has put forward a number of proposals to check the recession and put the unemployed back to work. We are calling for an extension of the period of unemployment insurance, a speedup of public works projects that have already been approved and merely await funds for construction, and new projects that can be provided quickly, so as to employ the greatest number of men possible, without delay.

I am also for a program of exempting taxpayers who earn less than $5,000 a year from the payment of income taxes. At least, they should have an exemption of $1,000.

You can rest assured that I am going to fight for every single measure to put workers back on the job.

It has been a great pleasure for me to renew here my many contacts with old-time friends in the mining industry, and with all my friends throughout this broad land of ours who are connected with mining, smelting, milling, and the other associated facilities in which your membership earns its daily bread.

You may be sure that I will continue in the future, as in the past, to work for the best interests of the mining fraternity, and the workers in every facet of this very important American industry.

JOINT COMMITTEE ON SCIENTIFIC RESEARCH

Mr. THYE. Mr. President, in the 2d session of the 84th Congress I introduced a joint resolution to create a Joint Committee on Scientific Research.

At that time it was my conviction that we in Congress needed such a joint committee to keep us advised of all scientific developments and to keep us advised of the needs of our scientists and educators in their determination to give us world leadership in science and technology. It was my belief that we could legislate wisely in these fields only if we had all the facts.

Mr. President, 2 years have passed since I first introduced this resolution. The things which have come to pass during these 2 years have convinced me that I acted wisely in sponsoring this joint resolution. I firmly believe that if we had created a Joint Committee on Scientific Research 2 years ago we would not have been taken by surprise by the Soviet's scientific advances. Furthermore, Mr. President, it may well be that this country's present scientific crash program to surpass the Russians would not have been necessary.

Although my original joint resolution had 16 cosponsors, it died with the end of the 84th Congress. Therefore, I introduced it again last year during the 1st session of this 85th Congress.

We are now in the fourth month of this second session, and there still has been no action on my resolution.

Let us profit by experience.

A Joint Committee on Scientific Research is imperative if we in Congress are going to be properly informed so that we can effectively assist our scientists and educators in this struggle for survival.

Just as the Joint Committee on Atomic Energy has so effectively kept Congress advised on all matters pertaining to atomic energy, we need a joint committee to keep us well informed in all other scientific and technological areas.

Just as President Eisenhower saw fit, in April of 1956, to create a National Committee for the Development of Scientists and Engineers to keep the administrative branch of our Government fully advised of our manpower needs in those areas, we in Congress need a joint com-

mittee to provide us with similar facts and statistics.

As I stated when I first introduced my resolution, a Joint Committee for Scientific Research would have the following purposes:

First. To help the Congress obtain current information on and have a continuous study of all aspects of this country's scientific development.

Second. To advise the Congress as to what areas of science and technology now have the most serious shortage of scientists and engineers.

Third. To advise the Congress as to possible legislative means of eliminating such shortages.

Fourth. To advise the Congress as to possible legislative means of assisting our scientists and educators in their determination to give the United States superiority in science and industry.

Mr. President, every new scientific development makes the proposed joint committee more necessary. Only a well-informed Congress can be an effective Congress. I respectfully urge the leadership on both sides of the aisle and all my colleagues to effect early and favorable action on this resolution.

GENERAL ELECTION IN CANADA

Mr. SALTONSTALL. Mr. President, I was very much interested to read the report in this morning's newspapers about the outcome of the general election in Canada yesterday. I was pleased to see that the voters gave a strong working majority to their government. I think it is important and desirable nowadays that a governing party have a working majority to carry out its programs. Today the problems which face government are so large and have such broad international implications in many cases that it is very difficult to try to attack these problems without such a clear working majority.

I congratulate Prime Minister Diefenbaker on his party's election victory yesterday, and I wish him every success in the months ahead with the heavy burdens which he will be carrying. I am sure that the many Massachusetts citizens of Canadian descent will look to even greater understanding and cooperation between our countries on the problems which affect us both. I have especially in mind the fishing and paper industries in my own State.

ONE HUNDRED AND THIRTY-SEVENTH ANNIVERSARY OF INDEPENDENCE OF MODERN GREECE

Mr. HRUSKA. Mr. President, last week marked the 137th anniversary of the establishment of the independence of modern Greece. I should like to join the many Americans of Greek descent who mark this anniversary with the folk of their homeland.

The debt of the Free World to the Greeks is a large one. Every schoolboy, in beginning his study of government, reads of the first flourishings of democracy some 3,000 years ago in the Greek city states. Standard textbooks in the classrooms of all free nations are those by Aristotle, Plato, and the other Greek philosophers.

Though the democratic systems which resulted from their teachings floundered and fell under the yoke of tyranny, the truths laid out by these early thinkers are bulwarks of today's democracies.

Though the long history of Greece reminds us of the indomitable spirit of independence of her people, Greeks lived as slaves for centuries under the iron rule of the Roman Empire and of the Ottoman Empire.

Modern Greece was born 137 years ago—on March 25, 1821, when the Greeks declared their independence of the Ottomans. Greek democracy was won only after 8 years of bloody warfare, and countless Greeks have died since that date to protect their dearly won liberty.

No free man can forget the dauntless resistance of the Greek guerrilla forces to the Nazi invaders during World War II. And every free man today is inspired by proud defiance of this geographically small nation to the ever-ominous threat of aggression from the Soviet Union.

Since 1952, Mr. President, Greece and her neighbor, Turkey, have been valued members of the North Atlantic Treaty Organization.

I express the hope of many Americans, Mr. President, that our bonds of friendship with Greece will be ever strengthened, and that Greeks and their sons and daughters the world over will continue to celebrate Greek Independence Day in freedom and in peace.

PRESIDENTIAL INABILITY AND SUCCESSION—STATEMENT BY MICHAEL A. MUSMANNO, PENNSYLVANIA SUPREME COURT JUSTICE

Mr. MARTIN of Pennsylvania. Mr. President, in his recent appearance before the Judiciary Subcommittee on Constitutional Amendments, Justice Michael A. Musmanno, of the Pennsylvania Supreme Court, made a valuable contribution to the discussion of presidential succession.

Justice Musmanno is a distinguished and learned jurist. He is highly regarded by the bench, the bar, and the general public, not only for his eminent legal attainments, but also for his patriotic service in the Army in World War I and the Navy in World War II. He is the author of numerous books on military and legal subjects which have attracted national and international attention.

Mr. President, the suggestions advanced by Justice Musmanno on presidential succession and a proposed amendment to the Constitution which he submitted to the subcommittee are worthy of careful consideration in our study of this important problem. I therefore ask unanimous consent that Justice Musmanno's statement and his proposed amendment be printed in the body of the RECORD as a part of my remarks.

There being no objection, the statement and proposed amendment were ordered to be printed in the RECORD, as follows:

STATEMENT BY PENNSYLVANIA SUPREME COURT JUSTICE MICHAEL A. MUSMANNO BEFORE THE JUDICIARY SUBCOMMITTEE ON CONSTITUTIONAL AMENDMENTS ON THE SUBJECT OF PRESIDENTIAL INABILITY AND SUCCESSION

Every 4 years the people of the United States elect a President and a Vice President. The Vice President must answer to precisely the same qualifications required of the President. But once the Vice President takes office, he becomes a stranger to the President's office for which he is fully qualified, while the back of the man who is President sags under the weight of the burdens increasingly piled upon it. No one with the meagerest cognizance of public affairs can fail to see that it is physically impossible for any one man to discharge all the duties which now devolve upon the President of the United States in response to the dictates of the Constitution and because of the imperious demands of daily recurring national crises.

Since the government must, of course, continue to function, regardless of limitations of flesh and bone, the President is compelled to turn to some one or more other persons to discharge executive powers and duties, lest government collapse. Thus, the President depends on an Assistant to the President, sometimes referred to as the "Assistant President," an office which does not exist in the Constitution. It may fairly be assumed, without intending any disrespect, that, in loyally and conscientiously assisting the President, the "Assistant President" does some things which constitutionally must be done by the President himself. I make no observation on how he does these things. He probably does them well, but he has no authority to do them at all. Not only does he have no authority to exercise presidential power but the people have never passed on his qualifications to do what the President alone is supposed to do.

In the meantime, a man who has the constitutional and occupational fitness for the President, which fitness has been considered and approved by the people, stands by idly and impotently. Is it not the acme of absurdity that the Vice President, with all his proved capacity to assist the President, must employ all his time as a timekeeper of debates in a legislative body of which he is not a member and where he can neither speak nor vote (except in a tie, a rarity so exceptional as practically to be nonexistent)? And is it not even more absurd that when that legislative body adjourns, the Vice President has no duties at all, except to keep healthy so as to take over in the event the President dies or resigns, the latter of which no President has ever done yet?

In no other sphere of activity—military, civil, commercial, industrial or fraternal is a substitute chief officer held in idleness until the moment he is to become chief himself. The vice commander of an army, division, or regiment has duties which are indispensable to the success of the military enterprise. He gives continuous and unceasing assistance to his superior and is so intimately associated with what his chief is doing that in the event of an emergency he assumes command without a break in the continuity of operation. The executive officer of a ship has duties of an extremely important character, aside from taking over the command of the vessel in the event the command devolves upon him. The vice president of an industrial corporation is not kept hidden away from the office and the plants of the company until he is summoned to head the business of which he has been kept in complete ignorance. He works by the side of the president of the railroad or steel company or the automobile firm at all times, and he is qualified at every and any

moment to undertake with up-to-date competence the responsibilities of the president, should it become necessary to do so.

President Eisenhower is the only President who, while not utilizing the capacities of the Vice President to discharge Presidential functions (since he may not do so constitutionally), has at least allowed the Vice President to be kept minutely and intimately informed on the problems confronting the White House, and, therefore, the people of the United States. It is nothing short of shocking to learn from former President Truman's Memoirs that before he became President he was denied even the slightest knowledge on the atom bomb. It was not until the day after he had been sworn in as President and had had his first Cabinet meeting that he learned of the most destructive weapon in the world and learned further that he was the person who was to decide if and when to use it.

Under the amendment which I offer, Congress will supply the machinery to determine whether the President at any given moment is physically capable of standing on the bridge and giving the orders which will carry the vessel of the well-being of the American people through the storm which may threaten our security and even survival. If, because of illness, the President lacks the strength and keenness of perception needed to guide the ship through heavy seas and foul weather, a suitable commission will so declare, and direct the Vice President to take the helm. We could be confronted with such a situation tomorrow, a year, or a decade from now. And no one realizes that possibility more than President Eisenhower. He has expresesd himself emphatically on the subject.

Several plans have already been discussed in this connection, but I am constrained to say, with all respect and courtesy to the authors of the various plans, that in my opinion they are not feasible either because they lack working practicality or because they encounter constitutional barriers. Thus, one plan recommends that the President's Cabinet decide if and when the President should resign if disabled. Since the Cabinet is made up entirely of Presidential appointees, one cannot dismiss the thought that their judgment and decision could well be influenced by personal considerations.

Another plan proposes that Congress enact legislation which would permit the Vice President himself to decide when he should assume the President's Office. This plan, I respectfully submit, is unworthy of consideration. No person should have it in his own exclusive power to elevate himself to a higher office in a representative republic. A Vice President who would crown himself in such a fashion would quickly find the crown tarnishing under the people's appraisement of an act which could be interpreted as selfish, egotistic, and unworthily ambitious. Moreover, there have not been lacking examples in our history where the President and Vice President were of divergent political views even though belonging to the same political party, and there have been painful occasions where the Chief Executive and the Vice President were personally hostile to each other.

One suggested bill provides that a commission representing the executive, legislative, and judicial branches of the Government determine Presidential inability. While such legislation might meet constitutional requirements, it still would not satisfy, because two-thirds of the commission would be made up of persons not elected by the people and, to that extent, the plan would deny the people an authoritative voice in the selection of their President. Another serious objection to this plan is that, since the Supreme Court might be called upon to evaluate its constitutionality, the Chief Justice and the senior Associate Justice, who are declared to be members of the commission, would be disqualified from considering the case, thereby depriving the country of a full judicial review at the time it would be most needed. The Chief Justice has already informed Congress that the entire membership of the Supreme Court is opposed to such a plan. Of course, the Court's wishes should be respected.

Still another plan declares that the President should voluntarily resign if disabled, and if he refuses to resign, impeachment proceedings may be initiated to compel him to do so. This would be a most sorry solution of the problem. It would make of a President's unfortunate illness the matter of a "state trial," with all the agonies which go with it, not only to the principals involved, but to the Nation itself.

The only logical governmental body to decide Presidential inability is Congress, which is responsible directly to the people. Under the constitutional amendment I propose, Congress would, as I have stated, provide the machinery for determining Presidential inability. I am sure that Congress can and will work out a suitable plan to meet every contingency. I personally would recommend that Congress enact a law resolving the Judiciary Committees of the Senate and House into a permanent Presidential Inability Commission. The membership of such a commission would be large enough and representative enough to speak for all parties, all geographical sections of the country, and all current points of view. At the same time it would be small enough to meet and act quickly. The chairmen of the committees would be empowered to call a joint meeting of the committees at any time, whether Congress be or be not in session. The chairman of the Senate Judiciary Committee would preside over the Commission. This Commission, made up, as it would be, of persons elected by the people and commanding the respect of the entire country, would be entrusted with the delicate and grave task of determining whether a President, because of inability to discharge his powers and duties, should be displaced by the Vice President. In the event the Commission found the President unable to attend to the responsibilities of the Presidential Office, the Vice President would become President for the period of the President's disability. When the President recovered his health or in any way overcame his inability to act, the Commission would restore him to office and the elevated Vice President would revert back to his original office. A two-thirds vote of the Commission would be required to declare the President unable to discharge the powers and duties of his office, and a similar vote would be needed to restore him to office, once the disability ceased.

Circumstances could combine to prevent the President from fulfilling the duties of his office for reasons other than ill health. Now that our Presidents fly long distances over oceans, deserts, and mountains a President's plane could be lost, so that days, even weeks, could pass with no news as to whether he had survived. A President could conceivably become captive of circumstances or hostile forces. These things could happen when momentous questions are demanding immediate answers. In such situations where the President would be unable to perform his duties, even though presumably healthy, the Commission would be empowered to direct the Vice President to become President until the President's inability would have been removed.

But even more important than the matter of succession to the Presidency is the need to ease the burdens of the President to the end that there will be less chance of his becoming physically incapacitated while in office. No President can possibly do all the things which the Constitution of 1787 requires of him in the setting of 1958. He cannot sign all the documents he is supposed to sign, he cannot read all the reports submitted to him to read, he cannot prepare all the reports he is required to make, he cannot meet and talk to all the people which in the full discharge of his functions it would be expected he should meet. He cannot handle all the details of recommendations for legislation, he cannot go into the minutiae of the entire Military Establishment; he cannot supervise the whole diplomatic corps. He cannot review all the criminal convictions under Federal statutes to determine whether he should exercise the Presidential pardoning power.

The President of 1958 must attend to matters which could not even have been imagined in George Washington's and John Adam's days. The President of today is studying problems provoked by sputnik, he must be schooled in missiles, satellites, and rockets, he must confer with scientists, he must consider a revamping of our educational system with emphasis on the science of survival. He must study the globe and concern himself with what is happening in all the European countries, in the Middle East, Far East, Africa, and wherever else the Soviet threat of world domination rears its python head to strike at our lifelines. He must study the budget and the tax rate. He must worry over charts depicting trends in our national economy, he must keep his finger on the pulse of NATO and our ever-growing number of alliances. He must preside over Cabinet meetings. He must appoint judges and promote Army and Navy personnel. He must consider foreign aid and reciprocal trade agreements. He must ponder questions involving enforcement of court decrees and the possibility of calling out the National Guard in domestic turbulences. As head of a political party he must meet with party leaders and map out political policy and program in various parts of the Nation. Ever since Suez, scarcely a day has passed that some crisis has not snarled the President's desk. He must watch the United Nations on its ever-revolving carousel of international alinements and realinements. There are national security meetings to attend and advise. There is royalty to receive and entertain. He must give news conferences where he is placed under cross-examination which requires him to answer questions and elucidate on every phase of our complex Government, complicated foreign affairs, and technological advances in aircraft, satellites, and intercontinental missiles. He must appear on television where he must be reassuring to a Nation of eager people seeking light and guidance, and in preparing for the performance he must keep in mind the triple role of a wise statesman, a spiritual counselor, and a charming actor.

While the President is doing all these things, necessarily breaking many of the rules of good health in exerting himself beyond the suburbs of endurance, the Vice President stands by like a man at the edge of a frozen lake with a rope in his hand which he is forbidden to throw to the skater who has broken through the ice. Under the plan I recommend the Vice President not only throws the rope but he hastens to the rescue in a durable launch which will take aboard all other national safeguards struggling in the cold waters of indecision and delay.

If this constitutional amendment is adopted Congress would of course provide for a separate establishment for the Vice President. He would have his own staff and he would have his own mansion. Naturally he would no longer preside over the Senate where he is at present a robot who makes no decisions and a metronome which controls no tempo or rhythm. I provide that the Senate shall elect its own president as well as

president pro tempore. The Vice President would thus dedicate all his time to the executive branch of the Government, to which he belongs and of which he is an inalienable integral part.

Foreseeing possible criticisms that this plan might somehow reduce the supreme power of the President and his responsibility to the Nation, let me say at once that while the Vice President would work closely with the President, exercising such Presidential powers as are delegated to him, he would always be subordinate to the President. There is no possibility whatsoever that by adding dignity and authority to the Vice President's Office, this would effect a lessening of accountability in the Office of the Chief Executive. National responsibility must always remain in one person, the President, and by allowing him to decide which powers he will delegate for long or short periods, our Government will have, as it must have, executive leadership in a single man. He will be the leader of our Nation. His task will always be the dedicated one of guiding the destinies of the American people ever toward the fulfillment of the ideals of the founders of our Republic and the dreams, hopes, and aspirations of the American people.

In view of the fact that President Eisenhower has now suffered three serious illnesses while in the White House, it has been suggested that if he should again be incapacitated, he should resign and make RICHARD NIXON Acting President until such time as the President should feel he had fully recovered from his illness. This plan was suggested at the time President Garfield lay prostrate from an assassin's bullet. Garfield's friends and supporters, however, refused to make the recommendation because they feared that once Chester Arthur assumed the President's office he would be installed permanently, and Garfield, if he should recover, could never again regain office, except, of course, in a succeeding national election. The same situation prevailed during the period of President Wilson's illness.

As of the present moment the President could not even constitutionally delegate his power to sign important documents in the event some accident disabled his writing hand. When President Eisenhower underwent surgery at the Walter Reed Hospital for ileitis, he was under anesthesia, according to a signed article in the Washington Post February 2, for 4 hours. It is frightening to contemplate that if during this period the United States had suffered an atomic or missile attack, there would have been no Commander in Chief to coordinate defense, counterattack, and civilian evacuation. He did ready United States defense forces for emergency before taking the anesthesia. In these days that large areas of the country could be wiped off the face of the earth in a matter of hours, even minutes, it is not necessary to point out how vital it is that we have at all times a Commander in Chief ready to respond to any emergency. Under the plan I recommend, the President, before entering the hospital would only need to delegate his full powers to the Vice President for the period of the operation, and the whole country could be assured that in the event of an attack, we would not find our great engine of defense immobilized because of the lack of an engineer to pull the levers.

Where the Vice President becomes President because of the death, resignation, or removal of the President, or where the President's illness is ascertained to be one which will endure for some 6 months or more, the Vice President, who will have become President, will himself need assistance, even as the President needed it. It must be kept in mind that in 3 instances the Vice President succeeded to the Presidency only 1 month after the President had begun his term of office. President Tyler served 3 years and 11 months of Harrison's term; Andrew Johnson served 3 years and 11 months of Lincoln's second term; Harry Truman served 3 years and 11 months of Franklin D. Roosevelt's fourth term. In the other four cases where Vice Presidents became President, their incumbencies were not of short duration. Chester A. Arthur served out 3 years and 6 months of Garfield's term; Theodore Roosevelt served out 3 years and 6 months of McKinley's second term. Fillmore and Coolidge served, respectively, 2 years and 8 months and 2 years and 7 months of their predecessors' terms.

Because of the possibility, as exemplified by the above historical facts, that a Vice President may become President for practically the entire term of the deceased or removed President, I have introduced in my plan something entirely new in our governmental scheme. If, for the purpose of conserving the President's health and allowing him to concentrate on the immediate momentous problems of his office, he needs a Vice President who will take over some of the burdens of the President's office, it naturally follows that when the Vice President assumes the office of the President in his own name, he will need, as the President needed, a Vice President to assist him. I have thus provided that when the Vice President becomes President, Congress shall elect a second Vice President who shall perform all the powers and duties of the Vice President during the time the Vice President holds the office of President. The second Vice President will be chosen from not less than three persons qualified under the Constitution for the Presidency and recommended by the national committee of the political party of which the President is a member. If the Vice President assumes the office of President only temporarily and the President resumes his office, the original Vice President reverts back to his Vice President's status and the office of the specially chosen second Vice President, if it has been created, shall cease to exist.

Congress will undoubtedly provide for other features in the implementation of this constitutional amendment. We can entertain the hope that even after setting up machinery for presidential succession based on a President's inability to perform his duties, the Nation will never have to witness a transfer of the Presidents' office in the midocean of crises, domestic or foreign. But, so long as human flesh remains something less formidable than stone and steel, this possibility always hovers within the realm of potential reality and the time to take aboard an additional pilot is not when the ship is headed for annihilating rocks, but before the perilous passage is begun.

In any event there can be no question that the President's burdens have pyramided until no human Atlas can carry them without hazarding his health and the welfare of the Nation. In these crucial days, and more crucial days to come, we can take no chance on a presidential stumble which could conceivably send our well-being security, and even survival over the abyss of ruin.

We do not need, nor do we want, in the White House a Hercules of muscles and brawn but we do want and can have a President who will exercise at all times the genius of leadership, the courage of initiative, and the dynamic drive of concentrated effort, but we must supply him with an armored knight who will hold off and strike down the ever-pressing foes of distraction, detail, and delay, while the President leads us on to ever-greater heights of peace, security, prosperity, and human happiness.

PROPOSED AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES ON PRESIDENTIAL SUCCESSION BY PENNSYLVANIA SUPREME COURT JUSTICE MICHAEL A. MUSMANNO

SECTION 1. The executive power shall be vested in a President of the United States of America who may delegate, in writing, such powers and duties as in his discretion he shall deem appropriate, to the Vice President whose exercise of such delegated powers and duties shall have the same legal effect as if performed by the President.

SEC. 2. In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the office of President, the Vice President shall become President.

When the Vice President thereupon becomes President for an interval in excess of 6 months, Congress shall determine whether or not a Second Vice President shall be elected to perform all the powers and duties of the Vice President for the period the Vice President shall be President. The Second Vice President shall be elected by Congress from not less than three persons duly qualified under the Constitution and recommended for election by the national committee of the political party of which the President is a member.

SEC. 3 In the event the President is unable to discharge the powers and duties of the office of President for any reason, the Vice President shall become President and continue in said office until the President whom he has replaced is able to perform the powers and duties of President. Thereupon, the Vice President shall resume the powers and duties of the office of Vice President and the office of Second Vice President shall cease to exist.

Congress shall by legislation provide the manner of determining the inability of the President, for any reason, to discharge the powers and duties of the office of President and when such inability has ended.

SEC. 4. The Vice President shall not be President of the Senate or preside over that body as heretofore.

SEC. 5. The President of the Senate shall be chosen by the Senate from their body and he will not, because of such presidency be relieved of any of his duties or deprived of any of his authority as Senator. When participating in debate, he will relinquish the chair to the President pro tempore who will also be chosen by the Senate from their body. The President may, at his pleasure, authorize any Member of the Senate temporarily to preside in his stead.

SEC. 6 Congress shall have power to enforce this article by appropriate legislation.

SEC. 7. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within 7 years from the date of the submission thereof to the States by the Congress.

SEC. 8. This article shall take effect immediately after ratification by the requisite number of States after submission thereof.

A STRONG LEADER IN THE SENATE

Mr. PROXMIRE. Mr. President, the Milwaukee Journal, in my home State of Wisconsin, recently carried an editorial tribute to the distinguished senior Senator from Texas [Mr. JOHNSON], our majority leader. This newspaper is known throughout the country for the independence and excellence of its editorial comments. In fact, the Milwaukee Journal has consistently been on the list of the 10 greatest newspapers in America. A principal reason for its distinction is

that there is no newspaper in the country which exhibits greater ability and intelligence in its editorial comments. For these reasons, commendation of the majority leader by the Milwaukee Journal is of great significance.

Mr. President, the Milwaukee Journal states in part:

The United States is getting little leadership from the White House. Fortunately, Congress is trying to fill the vacuum. Guiding the effort is LYNDON B. JOHNSON, remarkable Democratic leader in the Senate * * * The driving Texan has given Congress direction and a sense of urgency.

The editorial concludes with the central reason for the enormous contribution the majority leader is making to our country when it says:

He thinks the best way he can serve his country is as a responsible leader of the Democratic Party in the Senate.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD following my remarks at this point.

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

A STRONG LEADER IN THE SENATE

The United States is getting little leadership from the White House. Fortunately, Congress is trying to fill the vacuum. Guiding the effort is LYNDON B. JOHNSON, remarkable Democratic leader in the Senate.

High praise for JOHNSON is heard on every side in Washington these days.

The driving Texan has given Congress direction and a sense of urgency. Time magazine explains how he has put Congress at work on military organization, outer space problems and a great range of antirecession legislation. It speaks bitterly of "slow motion at the other end of Pennsylvania Avenue."

What is back of JOHNSON's power? Wide knowledge, parliamentary skill and hard work—of course. But there is more, as William S. White explains in Harper's.

"He is on occasion extraordinarily thoughtful of his colleagues, with the little and publicly unnoticed actions of kindness that all men value," writes White. "He is free of pettiness and has very little vindictiveness in his nature. On certain issues, foreign and military affairs especially, he is most totally unpartisan and highly responsible. He is at once sentimental and distinctly clear eyed."

President Eisenhower is becoming a pathetic figure. Some Democrats would like to make him the target of campaign attacks. JOHNSON opposes this. He believes that such partisan attacks will damage the Presidency, lessen confidence in Government, divide the country and hinder efforts to solve our pressing problems. This stand antagonizes partisan Democrats, but greatly enhances JOHNSON's reputation for responsibility among his fellow Senators.

Two evidences of the great Senate respect and admiration for the leader are at hand. Recently, by a 93 to 1 vote, the Senate passed the Johnson resolution calling on the administration to accelerate public works programs for which funds are appropriated. About the same time, Senator MARGARET CHASE SMITH, Republican, of Maine, listed JOHNSON as a "Living Profile in Courage." He is, she said, "the most energetic and active Member of the Senate in spite of the fact that he is a heart patient."

There is much speculation about JOHNSON's ambitions and future. He denies aspirations to be President. He dispassionately lists his handicaps: A heart attack, a southerner, a Texan, and a man (unjustly, he insists) accused of being conservative and an opponent of civil rights. He says that a man seeking a Presidential nomination must actively pursue it and says he isn't (he rejects scores of speech opportunities every month). Finally, he explains, sometimes with deep emotion, that he thinks the best way he can serve his country is as a responsible leader of the Democratic Party in the Senate.

AUTO, STEEL RECESSIONS DEEPEN

Mr. PROXMIRE. Mr. President, I call the attention of the Senate to the report in this morning's newspapers that for the first time in 9 years steel operations in this country will sink below 50 percent of capacity. This drop in production in the Free World bastion of economic strength at a time when we are engaged in a struggle with the Soviet Union for freedom and survival itself is tragic news. It seems to me that this fact by itself should put our Government on notice that the action already started by Congress to stem this recession must continue and must be stepped up.

Mr. President, I also call attention to the fact that the financial sections of this morning's papers report that auto manufacturers in Detroit are scheduling a reduction in passenger car production between April 1 and July 1 sharply below the low production of the first quarter, and a huge one-fourth below the production of the second quarter of 1957.

Mr. President, reports from American steel companies and American automobile companies mean unemployment is very likely to continue, and perhaps even increase, during the coming 3 months at least.

Mr. President, I ask unanimous consent that the article from the New York Times of this morning be printed in the RECORD following my remarks at this point.

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

AUTO, STEEL RECESSIONS DEEPEN—DROP IN CAR OUTPUT SCHEDULED FOR THE SECOND QUARTER

DETROIT, March 13.—The automakers are scheduling production at 1,130,000 passenger cars for the second quarter of 1958. They built about 1,244,000 in the January–March quarter. In the second quarter of 1957, assemblies numbered 1,580,835.

Last week the industry built 94,382 cars, against 80,480 the preceding week and 130,-233 in the like 1957 week.

Each of the Big Three producers, the General Motors Corp., Ford Motor Co., and Chrysler Corp., shared in last week's modest upturn.

GM built 45,028 cars, against 44,123 the preceding week and 58,188 in the like 1957 week. Its output so far this year totals 685,-972 cars, against 831,810 in the like 1957 period.

Ford assembled 29,880 cars last week, against 18,964 the preceding week and 41,000 in the 1957 week. So far this year, Ford has made 334,195 cars, against 544,828.

Chrysler output last week was 15,250 cars, against 13,214 the preceding week and 26,-969 in the 1957 week. To date this year, Chrysler has made 156,649 cars, against 370,-044.

The American Motors Corp. built 2,960 Ramblers last week, against 2,706 the preceding week and 2,355 in the like 1957 week. The only producer running ahead of last year's volume, it has built 40,538 cars so far this year. In the like period of 1957 it made 24,702 cars.

The Studebaker-Packard Corp. built 60 Packards and 1,240 Studebakers last week, against 89 and 1,384, respectively, the preceding week and 284 and 1,437 in the like 1957 week. Output so far in 1958 comes to 1,078 Packards and 8,214 Studebakers, compared with 3,901 and 15,312.

Chevrolet made 27,700 cars last week while Ford division was assembling 25,150. In the preceding week Chevrolet made 24,937 to Ford's 18,964. In the like 1957 week the count was Chevrolet, 29,183; Ford, 32,630. To date this year Chevrolet has built 389,480 cars to Ford's 285,636. At this point last year the count was Chevrolet, 403,952; Ford, 428,-934.

Automotive News' tabulation of car output follows:

	Last week	Previous week	1958 through Mar. 29	1957 through Mar. 30
Chrysler	1,550	1,267	15,574	39,470
Imperial	500	451	4,682	12,180
De Soto	1,600	381	10,916	43,731
Dodge	2,600	2,549	25,233	84,521
Plymouth	9,000	8,566	100,244	190,142
Total, Chrysler	15,250	13,214	156,649	370,044
Edsel	400	360	4,055	
Ford	25,150	14,417	285,636	428,934
Lincoln	580	695	9,617	14,294
Mercury	3,750	3,492	34,887	101,322
Total, Ford	29,880	18,964	334,195	[1] 544,828
Buick	4,663	4,648	81,173	140,232
Cadillac	2,560	3,182	38,360	42,684
Chevrolet	27,700	24,937	389,480	403,952
Oldsmobile	6,205	6,600	102,090	130,376
Pontiac	3,900	4,756	74,869	114,566
Total, General Motors	45,028	44,123	685,972	831,810
American Motors (Rambler)	2,960	2,706	40,538	[2] 24,702
Packard	60	89	1,078	3,901
Studebaker	1,204	1,384	8,214	15,312
Total cars, United States	94,382	80,480	1,226,646	1,790,597
Total trucks, United States	17,921	15,789	222,672	275,766
Total cars-trucks, United States	112,303	96,269	1,449,318	2,066,363
Total cars-trucks, Canada	8,515	8,571	96,605	126,366
Total units, United States and Canada	120,818	104,840	1,545,923	2,192,729

[1] Includes Continental.
[2] Includes Nash-Hudson.

Automobile News says Chevrolet built 6,200 trucks last week, against 5,962 the preceding week; Dodge, 1,100, against 587; Ford 4,500, against 3,724; GMC 1,500, against 1,415; International 1,805, against 2,054; Studebaker 160, against 160; Willys 1,712, against 1,059.

MILL OPERATIONS DUE TO REACH A 9-YEAR LOW THIS WEEK

Steel production this week is expected to fall to the lowest level in almost 9 years, except for strikes and holiday periods.

The American Iron and Steel Institute estimated yesterday that output would amount to 1,298,000 tons of ingots and steel for castings, which would be the lowest for a normal week since July 1949. That represents 48.09 percent of capacity. Production last week was 1,366,000 tons, or 50.6 percent of capacity. As of January 1, 1958, the steel industry had a capacity to produce 140,742,570 net tons a year.

Production last week had been forecast at 1,363,000 tons.

In the preceding week 1,417,000 net tons of raw steel were made, representing operations of 52.5 percent of capacity. A month ago

the mills turned out 1,425,000 tons of steel, running at 52.8 percent of capacity. Last year at this time the figure was 2,319,000 tons. Based on a smaller capacity, that was 90.6 percent of capacity.

For the first quarter of this year steel production is estimated at 18,800,000 tons, or 54.2 percent of capacity. In March it came to 6,200,000 tons; in February, 5,788,000; and in January, 6,753,902. This has been the smallest production for any quarter since the second period of 1952, when the total was 17,837,571 tons.

First-quarter output last year was 31,585,042 tons. In 1956 it amounted to 31,872,014. The 1955 level was 27,316,424 tons. Of course, capacity has steadily expanded over the years.

Despite a dip of about 2 percent in steel production last year, the industry ended with record sales and earnings.

Profits, according to Steel magazine, came to some $1,180,000,000, or more than 5 percent above the $1,120,000,000 in 1956. Sales rose $517,000,000 to $14,900,000,000. Profits rose to about 7.37 cents of each dollar of sales in 1957, compared with 7.28 cents the year before.

In the wake of lower industry operations, steel-scrap prices have declined for 3 straight weeks. Last week the price a gross ton for the prime grade was at $34.50, down more than $1.80 from the composite price for the previous week.

Here are the latest weekly figures:

	Percent capacity	Production (net tons)	Index based on 1947–49
Week beginning—			
Mar. 31	[1] 48.09	1,298,000	80.8
Mar. 24	50.6	1,366,000	85.0
Mar. 17	52.5	1,417,000	88.2
1 month ago	52.8	1,425,000	88.7
1 year ago	90.6	2,319,000	144.4

[1] Estimated. Based on smaller 1957 capacity.

NATURAL RESOURCES DEVELOPMENT

Mr. PROXMIRE. Mr. President, no man in public life is a more eloquent or more effective friend of conservation than the great senior Senator from Oregon [Mr. MORSE]. In the March issue of Social Action, a publication of the Council for Christian Social Action of the United Church of Christ, there is an article by the senior Senator from Oregon entitled "Develop Our Natural Resources."

Mr. President, I ask unanimous consent that the brilliant plea for Government action to meet our great responsibilities for the development of our natural resources be printed in the RECORD following my remarks at this point.

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

DEVELOP OUR NATURAL RESOURCES

(By Senator WAYNE MORSE, of Oregon, and a member of the Westmoreland Congregational Church, Washington, D. C.)

For the past several years, too many people complacently have assumed that no matter how we ignore or mishandle basic national policy, issues will come right in the end. That dangerous misconception permitted great public issues—which are really moral issues—to be decided by the indifference of the majority and the active self-seeking of small groups with large financial stakes in the outcome.

Moral issues cannot be left undecided; the very failure to inquire and choose rationally between alternatives is a form of decision.

WASTE OF NATURAL RESOURCES

Our Nation has been ignoring the wise use of the natural resources with which God has endowed us. We do so at our peril; we do so at the peril of posterity. Man cannot create resources. He can protect or develop them or he can waste and despoil them. Unfortunately, there is more waste than conservation.

It is a fact of nature that misuse of one resource is only the beginning of a chain reaction of damage. Upstream pollution by human and chemical waste, for example, can render water downstream unfit for human consumption and industrial use, contaminate and destroy commercial and sports fish runs, and prevent safe bathing and boating. All of these unfortunate results of pollution occur on the Potomac, which could and should be among the most beautiful and useful rivers in America.

Conversely, multiple benefits result from wise use and development of resources. The classical example is forestation. Adequate tree cover prevents erosion, captures and conserves water, evens stream flow thereby reducing flooding, and generally improves the utility of water.

SCARCITY OF WATER

Water is getting scarce, not merely in the traditionally arid areas. Our most thickly settled regions are facing water shortages. At the same time many are subject to recurrent floods.

Population growth and concentration, new industrial uses, and more extensive irrigation are key factors in the creation of ever greater requirements for water. One shower bath can use up six to fourteen gallons of hot water alone—depending on one's habits. In an average industrial community the per capita use of water runs between 100 and 200 gallons a day. A single fire hose has a minimum requirement of 250 gallons a minute. Suburban Westchester in New York now uses 77 million gallons of water a day compared with 47 million gallons in 1943. The Great Plains drought has been a national tragedy. In Texas alone 244 counties out of a total of 254 counties were declared drought disaster areas last year.

Our sources of water are not keeping pace with our anticipated needs. Moreover, water for low cost electric power is a renewable resource whereas oil, coal, and atomic material are not. As we fail to harness water for all the economic power possible, we fail to use water wisely.

NEEDED: MULTIPURPOSE CONSERVATION PROJECTS

Hydroelectric power is one of the chief benefits of dams and water conservation projects. Such projects make financially feasible the flood control, irrigation, navigation, and recreation facilities associated with multipurpose dams. Without electric power, the flood control and irrigation features of the historic Grand Coulee project would not be possible.

Yet our precious natural resources remain underdeveloped. For example, a high Federal dam at Hells Canyon would provide four times the water storage, twice the power at less than half the cost of the small dam plan of the Idaho Power Co. In addition, a dam at Hells Canyon would aid irrigation and create a recreational wonderland. The Hells Canyon dam has been opposed by the narrow self-interest of a monopoly private utility and its political allies. Many people have been misled by slogans like "creeping socialism."

Yet low-cost Hells Canyon power would mean new private industry, new private jobs, and more tax revenue to all forms of Government than the high cost, scarce power which would result from the company scheme. Low-cost power would make possible a whole new low-cost fertilizer industry which would aid farmers throughout the West and Midwest.

A similar struggle is being waged concerning the Paradise Dam site in Montana. A proposed multipurpose Federal dam built there would fully develop the potential of a great dam site with some 4 million acre feet of water storage and 1 million kilowatt capacity. The alternative proposed is for a small dam, built on a private partnership basis, with no usable water storage and only 120,000 kilowatt capacity. Multipurpose comprehensive planning and development are a necessity in the great Columbia and Missouri Basins, where floods and power shortages occur within months of each other. Other areas, such as New England, also stand in need of coordinated developments to meet the water shortage, for flood control, for lower cost power and, even possibly, for irrigation.

RESPONSIBILITY OF THE FEDERAL GOVERNMENT

It seems clear that the Federal Government has a responsibility and that it alone can provide the unifying factor. This doesn't mean doing the whole job, but it does mean the main job of executing adequate plans and coordinating them. This means, as in the TVA and the Columbia River system, the operating control of the key multipurpose dams in the systems. Such a plan is quite compatible with small private or local projects which do not conflict with the basic system.

In a short time the United States of America will have a population of 200 million. The material needs—the resource needs—of so large a population will be enormous. The need for water, electric energy, and freedom from floods in more densely settled areas will be vast.

Upon how we plan today, upon how we conserve today, will depend the future of our Nation.

DAIRY PROCESSORS WILL PROFIT FROM BENSON'S BLOW TO DAIRY FARMERS

Mr. PROXMIRE. Mr. President, this is a day that will be burned painfully into the memories of millions of hard-working, poorly rewarded dairy-farm families.

These are people who have given much to their country, and who have often enjoyed too little return, either in worldly goods or in recognition. According to the latest reports of the Department of Agriculture, dairy farmers in my State were averaging returns of only 43 cents an hour for their labor.

Our farmers are the most efficient in the world. They have given us the best food for the smallest share of our total consumption budget of any people on earth. They have increased their efficiency faster by far than has any other group in our economy. They are law-abiding, independent, sturdy citizens.

Their reward from their Government is delivered in full today—a crushing, drastic, unfair slash in income.

Mr. President, I have received a petition from Mr. Milo Singler, of Shiocton, Wis., signed by 4,200 dairy farmers, appealing to the Secretary of Agriculture to listen to reason and justice, and to reestablish price supports at levels existing before the cut which he has ordered in the prices of dairy commodities, until a new, workable, permanent dairy

program can be formulated and put into force.

I hope that the Secretary of Agriculture, Mr. Ezra Taft Benson, will heed the appeal of these Wisconsin farmers when I present their petition to him, as they have requested that I do.

I fear that Mr. Benson's policies help not those who milk the cows, but, instead, those who milk the farmers.

It is the dairy processing and marketing corporations, Mr. President, which will profit from Mr. Benson's action—just as it was those corporations which profited from Mr. Benson's previous cuts in farmers' prices and incomes. That which was taken away from the farmers has been given to giant corporations.

I have looked up the figures with respect to the gain in profits enjoyed by the big dairy corporations in the first 4 years under Mr. Benson's policies of weakening the farmers' position in the marketplace. The figures are simply shocking, Mr. President.

At the very time when dairy farmers were sacrificing income, and consumers were gaining no advantage from the lower prices paid to the farmers, the Nation's largest dairy manufacturing and marketing corporation boosted its profits after taxes by a staggering 50 percent.

The processors whose interests Mr. Benson serves are not satisfied with a 50-percent jump in their already high profits in only 4 years' time. They want more. Such will be the result, Mr. President, of the cut in dairy price supports if Congress fails to override the President's veto of Senate Joint Resolution 162.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the swollen profits enjoyed by the two leading dairy corporations in the 4 years 1952–56.

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

The Borden Co. and the National Dairy Products Corp.—Selected financial data, 1952–56

[Dollar figures in thousands]

	1952	1953	1954	1955	1956
National Dairy Products Corp.:					
Net worth	$235,004	$248,857	$268,418	$289,311	$321,354
Total assets	$409,195	$424,967	$446,465	$469,279	$512,261
Volume of sales	$1,141,296	$1,232,126	$1,210,329	$1,260,230	$1,352,878
Net profits before taxes	$73,070	$83,749	$79,219	$81,997	$79,983
Net profits before taxes as percent of net worth	31.09	33.65	29.51	28.34	24.89
Net profits after taxes	$27,799	$30,837	$36,428	$40,347	$41,717
Net profits after taxes as percent of net worth	11.83	12.39	13.57	13.95	12.98
The Borden Co.:					
Net worth	$177,013	$185,533	$194,021	$201,205	$212,630
Total assets	$285,849	$295,656	$301,066	$309,663	$325,504
Volume of sales	$768,020	$792,382	$776,839	$810,127	$876,987
Net profits before taxes	$33,410	$42,367	$46,153	$40,933	$44,554
Net profits before taxes as percent of net worth	18.87	22.84	23.79	20.34	20.95
Net profits after taxes	$17,667	$20,264	$22,724	$21,654	$23,603
Net profits after taxes as percent of net worth	9.98	10.92	11.71	10.76	11.10

Source: Moody's Industrial Manual, 1957. Moody's Investors Service, New York.

VISIT TO SENATE OF MEMBERS OF CHAMBER OF DEPUTIES OF THE REPUBLIC OF CHILE

Mr. HAYDEN escorted into the Senate Chamber several members of the Chamber of Deputies of Chile, who took the seats on the floor of the Senate assigned to them.

Mr. MANSFIELD. Mr. President, the Senate of the United States is singularly honored this morning by a visit of colleagues and fellow parliamentarians from the sister Republic of Chile.

We know something about Chile because of its great history, because of the eminent men it has produced through the decades, and because it is a land of variety. From the desert in the north to the vale of Chile in the center, down to the Antarctic regions, it furnishes contrasts of which few other countries in the world can boast.

We are delighted and happy these colleagues of ours are here to sit with us today, and, on behalf of the Senate, I welcome them all.

I should like to bring to the attention of my colleagues the fact that among the distinguished visitors in the delegation from the Republic of Chile are the following members of the Chilean Chamber of Deputies:

The Honorable Hector Correa Letelier, president of the Chamber of Deputies, member of the Conservative Party.

The Honorable Jorge Errazuriz Echenique, member of the Chamber of Deputies, and chairman of its Committee on Foreign Affairs, member of the Liberal Party.

The Honorable Orlando Sandoval Vargas, member of the Chamber of Deputies, member of the Radical Party.

The Honorable Jose Musalem Saffia, member of the Chamber of Deputies, member of the Christian Democrat Party.

The Honorable Luis Valdes Larrana, member of the Chamber of Deputies and of its Committee on Foreign Affairs, member of the United Conservative Party.

The Honorable Guillermo Donoso Vergara, member of the Chamber of Deputies, member of the Liberal Party.

We are delighted to have you with us, gentlemen. We hope that as a result of your visit and the trip you will take throughout our country the relations between Chile and the United States will become even closer and our mutual respect for each other will be even greater. [Applause, Senators rising.]

Mr. KNOWLAND. Mr. President, I wish to join with the distinguished acting majority leader in extending to the legislative delegation from the Republic of Chile a welcome to this Chamber. We are always delighted to have members of parliamentary bodies come to visit with us.

We feel we have a particularly close relationship with the country represented by the delegation today. We want them to know that our welcome knows no partisan bounds, and we hope over the years the friendship between our two countries will steadily increase, to our mutual advantage.

Mr. CHAVEZ. Mr. President, I feel I can join with the Senator from Montana and the Senator from California in welcoming the delegation of members of the Chamber of Deputies of Chile. I have a particular feeling for and a close affiliation with Chilean history.

I can tell my good friends from Chile that I am a great follower of Andres Bello and also a follower of San Martin. I have also been interested in Sarmiento. To me, San Martin and Sarmiento really stand for the freedom of Chile and of Latin America.

As a descendant of the same race, with the same national origin as you good folk, I welcome you on behalf of the United States of America.

Mr. YARBOROUGH. Mr. President, I desire to join the leaders of both parties and the senior Senator from New Mexico in welcoming the distinguished officials and visitors from our sister Republic of Chile.

As a boy in my home State of Texas, I was intrigued by the Chilean flag, with its lone star, which reminded all of us of our home.

We are happy to know that the first State the distinguished visitors from Chile will visit when they leave Washington will be the State of Texas.

During World War II a nephew of mine was stationed on submarine patrol in southern waters and received many hospitalities and courtesies from the citizens of the southernmost city of the world, Punta Arenas, Chile. The people were generous enough to take him on mountain lion or puma hunting trips on the pampas. My nephew wrote me that many spots on the rolling pampas of southern Chile reminded him of west Texas.

I desire to thank the visitors from Chile for the consideration shown the United States, and for the acts of friendship extended to my nephew during World War II.

I assure you all that when you reach the Lone Star State you will have a greeting as warm as that you have received in Washington.

We are grateful for the long friendship that has existed between this country and our sister Republic to the south. It is a great privilege for me to be here as a Member of the United States Senate to help greet you as you come to our country.

Mr. MANSFIELD. Mr. President, I should like to say to our distinguished visitors that the Congress of the United States and the people of the United States are extremely happy to know that our distinguished Vice President is to visit South America, and among the countries included on his itinerary will be the beautiful Republic of Chile.

Mr. Vice President, as a mark of respect and honor to our distinguished colleagues from the land of Bernardo O'Higgins I ask unanimous consent that

the Senate stand in recess subject to the call of the Chair.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and the Senate will now stand in recess subject to the call of the Chair.

Thereupon at 12 o'clock and 29 minutes post meridian, the Senate took a recess subject to the call of the Chair.

The members of the visiting delegation were escorted to a position on the floor of the Senate in front of the Vice President's desk, and were there greeted by Members of the Senate, who were introduced to them by Mr. MANSFIELD, Mr. CHAVEZ, and Mr. KNOWLAND.

Following the informal reception, the distinguished visitors were escorted from the Chamber.

At 12 o'clock and 35 minutes post meridian, the Senate reassembled, and was called to order by the Presiding Officer (Mr. MCNAMARA in the chair).

THE NATIONAL GUARD AND RESERVE PROGRAMS

Mr. STENNIS. Mr. President, through the years our Reserve forces program has proven effective in every real emergency which has arisen, and I am alarmed that the administration is apparently committed to a plan to destroy this program. Several weeks ago, I pointed out to the Senate the many reasons why our National Guard strength should be kept at the maximum, and the same principles apply to the remainder of our Reserve program. Neither should become the unwilling victim of this ill-advised slash.

Yet, this morning we are advised through the newspapers that the administration plans to proceed with the reorganization of its Reserve forces. This can lead only to confusion, lack of trust and confidence, and a greatly weakened ability to meet aggression. We are told that the Army will eliminate 6 National Guard divisions, 4 Reserve divisions, and some 1,100 company-size supporting units.

Historically, the citizen-soldier concept is well established, proven, and beyond doubt one of the principal reasons our country has remained strong. We have followed the advice given us by George Washington, calling for a small but highly selected and trained group of skilled professional military men, supported at all times by a force of citizen-soldiers, always ready and available for defense in event of attack.

Perhaps the greatest array of armed might which the world has ever seen was the combined forces of the United States during World War II. More than 99 percent of this force consisted of citizen-soldiers. Can we afford to abandon this program now? I say we cannot. It should be expanded and strengthened, not weakened and destroyed.

Last year the Senate voted an additional $20 million for the Army Reserve program over and above the amount requested by the administration, yet the Department of Defense announced that these funds would not be used. This year, the administration has proposed an additional $22 million cut in the budget for this program.

The administration has gradually reduced the incentives offered to patriotic citizens who want to serve their country, while also following a civilian occupation. Formerly personnel in the Reserve program were given pay for attending 12 drills a year. Formerly mobilization designees, outstanding officers already having specific assignments to which they will report in the event of general mobilization for war, were on pay status. At the present time mobilization designees are not on pay status. They have little, if any, incentive for further study and training. The only thing we offer them now is a 2-week training period during the year.

Unfortunately, the proposed reductions are not limited to the Army alone. We are also told that the Navy plans to make similar reductions in the strength of its Reserve forces. Recently the Navy announced plans to close 14 Naval Reserve training units and reduce 19 training centers to the status of training facilities. We are told that this move is a part of the general reorganization and belt tightening which came with the cutback ordered this fiscal year.

If this belt tightening continues, our Armed Forces will be starved to death.

Mr. President, how can we expect those interested in our Reserve program, either officers or enlisted men, to maintain their training and keep up with the rapid developments in the military field if we do not give them some incentive? Are the many who are willing to serve to be denied the opportunity?

For many months our Military Pay Subcommittee has been hearing testimony in its study about incentives offered to service personnel to encourage them to remain in the service. This problem is one of vital concern to all of us. If our Nation is to maintain its military strength, our qualified men must be retained in the service.

If as indicated, we are losing too many of our best qualified men from our Regular forces, we cannot afford to weaken the Reserve program. The Reserve program should be made even stronger to fill the gap.

If we are to maintain an effective, ever-ready Reserve system, we must utilize what we have and make it attractive to those willing to give of their time in the defense effort. We must not destroy the fires of patriotism which still burn among our citizens. Because of the indifference displayed by the Department of Defense, many citizen-soldiers are now losing interest in the program. With the new reorganization which has just been announced, many will feel the death knell has sounded for the entire Reserve program.

I urge the Senate Armed Services Committee to develop fully the testimony about this unprecedented action and to insist that full disclosure of the facts be made in explanation by the Department of the Army.

Personally, I am convinced we will have to maintain a strong military program for years to come—at whatever cost. The appropriations therefor may become more and more difficult to obtain during the years ahead. Our people must be convinced of the wisdom of our expenditures, and strong, active National Guard and Reserve units of citizen-soldiers, a part of our civilian economy, and civilian life, are a continuous widely dispersed display of the effective use of our military dollars. This is the best possible way to insure support for our tremendous military expenditures. Happily a strong Reserve force is also the most economical way to keep trained men in condition, alerted, and ready for possible military operations.

I shall oppose these proposed cuts in the Guard and Reserve program, and further I believe this will be the considered conclusion of the Congress when all the facts are known. I have said heretofore, and now repeat, that the Regular services do not put enough emphasis on a Reserve program and do not try hard enough to build such a program. This entire subject must be given special attention by the Congress.

THE SOVIET ANNOUNCEMENT OF SUSPENSION OF NUCLEAR TESTS

Mr. HUMPHREY. Mr. President, yesterday I addressed myself briefly to the unbelievable defeat that has befallen the American people and the people of the Free World from the tremendous propaganda scoop and triumph, again, by the Soviet Union in its announcement of the cessation of hydrogen and atomic bomb tests on a unilateral basis.

In this morning's press, the number of editorials and commentaries from other nations indicate that even those of us who were deeply concerned about the propaganda astuteness and the propaganda victory of the Soviets, had no appreciation of the dimensions and scope of the victory by the Soviet in the field of psychological warfare.

I have noted the morning press and the press of late yesterday afternoon and the press from throughout the world. From Bonn, Germany; from London, England; from New Delhi, India; from Tokyo, Japan; from country after country; and city after city, spokesmen of the free nations are saying quite candidly that the Soviet Union has won a great propaganda victory in the cold war. Some of them are saying that the Soviet Union has contributed to the cause of peace.

Our State Department and our Government rests its case upon the fact that it is just propaganda. Yes, the administration rests its case—and this is even more alarming and more unbelievable—upon the statement that I have just read on the news ticker. It is an Associated Press dispatch, and reads:

> Dulles conceded at a news conference that the Soviet Government won a certain propaganda victory with yesterday's announcement of suspension of Russian nuclear tests. He labeled the gesture, however, as entirely propagandistic.

Mr. President, a propaganda victory is what the Soviet Union was seeking to achieve. The Soviets understand that there are people in the world. The Soviets understand that people represent

power. The Soviet Government is appealing to the people. The Soviets understand that people want peace. The Soviet Government is usurping the mantle of peace, while our legalistically minded alleged statesmen stand by immobile, arguing the case as if it were before a court—filing briefs and engaging in rebuttal, instead of coming forth with an affirmative case and a constructive program. How ironical this all is—here we see the Soviet dictatorship that defies popular will and repudiates representative government moving in the world scene with all the adroitness and persuasiveness of a Madison Avenue public-relations expert and an American political candidate seeking public office. Yet, the United States Government, the living embodiment of representative democracy based on popular will, moves in the international arena as if it were indifferent to public opinion and unconcerned as to the reactions of the people.

It is nothing short of ridiculous, except it is so unbelievably tragic. This is, indeed, a sad moment for our Nation. We stand before the world without leadership. We stand before the world without a program. At the same time, the Soviets again mark up another victory—yes, another victory in the cold war.

However, Mr. President, I ask Senators to listen to something that is even more incredible and more unbelievable. I read another dispatch taken from the ticker:

WASHINGTON.—Secretary Dulles disclosed today that President Eisenhower considered stealing a march on the Russians by announcing a United States suspension of atomic tests but rejected the whole idea as a propaganda gesture.

Apparently the President was considering taking the initiative. Apparently the President was willing to do something. However, someone must have advised him not to act. Apparently that someone was the Secretary of State.

Mr. President, I ask that I may proceed for an additional 5 minutes.

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

Mr. HUMPHREY. It would be better for our posture in the world, in light of our failure to take any constructive action, in light of the hesitancy, and the confusion within the administration, that the statement attributed to Mr. Dulles in this dispatch had never been made.

Now the world knows that our President, who always has believed in peace and who is a man of peace—I am sure the President wants peace with all his heart—considered it, but, after consultation and advice, rejected it. What an unfortunate decision.

I warn the Government right now that the Soviet Union is disarming us, is denying us the use of our weapons, even if we wanted to use them, by their psychological victories. The Soviet Union has literally locked up the H-bombs and A-bombs in our possession. Surely now we know that these weapons are literally useless, with this tremendous Soviet triumph in the field of psychological warfare or propaganda. Not only has the Soviet propaganda locked up our H- and A-bombs by her propaganda victory, but for all practical purposes she has very efficiently disarmed our Armed Forces.

I ask Mr. Dulles: "What of your massive deterrent now? What of your massive weapons?" We know that our country will not use them unless it is as a last resort in our defense. In the meantime, the Soviet Union walks throughout the world as an apostle of peace. She not only talks peace, she now points to deeds of peace, while we procrastinate and wander. What irony as we approach Good Friday. The enslavers pose as the emancipators—the tyrants parade as the liberators—the warmakers seek to reveal themselves as the peacemakers. Such is the paradox of our time.

But we let them get by with it. Why? Because of political sterility, because of the inability of the leaders of the United States to make a decision—either a decision to seek an agreement for the cessation of tests with inspection, or a decision not to seek one. We have been half in and half out, until we stand before the world in a pathetic posture that is confused and twisted.

The Soviet Union must be revelling this morning in their triumph. Without firing a shot they have become an even greater power than before. First it was sputnik, which we tried to ignore for a while by rationalizing it. Then it is disarmament, which ought to be our cause, which ought to be our program, because we are a nation of peace. What has happened? We have become a nation of don'ts—a nation of doubts. We have become a nation of ands, ifs, buts, ors, and excuses—instead of having an affirmative, positive program.

Mr. President, I have in my hand an editorial published in the Minneapolis Tribune of recent date, in which the editor of that paper—and I commend him for it—states:

The fact is that Nikita Khrushchev himself announced last June 13 that the Soviet Union was prepared to agree to establishment of inspection posts within its territory for control of nuclear tests. And the following day at the London Disarmament Conference, Valerian Zorin proposed that a test ban "be implemented by scientific control posts to be set up in the United States the U. S. S. R., the United Kingdom and Pacific Ocean areas."

Then the editorial says:

Let Mr. Eisenhower remind the world of these proposals and challenge the Soviet leaders to follow through on them promptly to demonstrate their good faith.

That is what should have been done, but it was not. This Senator stood in the Senate Chamber time after time saying that the United States should have prodded the Soviet Union relentlessly with the inspection idea, and that we should have placed before the United Nations our inspection plan. I pleaded last summer for the President to go to the United Nations and speak the voice of humanity; the voice of peace; to speak up for the disarmament proposals; to put the issue of disarmament squarely up to the Soviet; to seek honestly, intelligently, and perseveringly for an agreement including inspection. I wrote to the President. I asked the State Department to limit its disarmament proposals to a first step of cessation of atomic tests with inspection.

But even the officers of our Government have attempted to confuse the American people by telling them that inspection might not be safe. Well, it is safe. It is time that Members of the Senate spoke up. It is time the officials of the American Government told the American people that we can have inspection with the Soviet. It is time we laid down a program before the world and before our own people.

Peace is not the private prerogative of officials. Peace is not the private prerogative of the Atomic Energy Commission or the military or the State Department. Peace is everybody's business.

But apparently we are leaving peace to the Soviet Union. Peace should be our first business. Let us seek peace with honor, peace with justice, peace with freedom. We can have it only if we sacrifice for it, plan for it, work for it. The victory of peace, like victory in war, requires great and inspiring leadership. It requires step-by-step planning and effective execution of those plans.

I charge that this administration has failed to take advantage of its opportunities in the field of negotiations for disarmament. I further charge that it has no policy. I beg of it to announce one. I ask the administration to tell the people of America, our allies, and the whole world what our policy is. I further ask that it take the case to the United Nations. Let us use the United Nations, not abuse it. Let us use it, not bypass it.

Instead of talking so much about a summit conference, why do we not take the whole matter of negotiations straight to the U. N. Security Council? Why do we not ask for a meeting of the U. N. Disarmament Commission?

It is said that the Soviet Union will not attend. How do we know? Let us find out. At least, the Soviets will attend the Security Council. The U. S. S. R. and the United States of America are both permanent members of the Security Council. The Council has a direct responsibility for peace.

Why do we not put the question of peace and disarmament on the agenda of the General Assembly? Why do we not break up our disarmament package, as has been suggested? At least, why do we not arrive at a decision?

What is the disarmament policy of the United States Government? Does anyone know? How much longer do we have to wonder? How many more humiliating defeats must we endure before our Government makes clear what our position is and then proceeds to act?

Mr. President, I ask unanimous consent that an article entitled "London, Bonn Express Hope," written by Murrey Marder, and published in the Washington Post and Times Herald of today, April 1, 1958, be printed at this point in the RECORD. It relates to the Soviet announcement. Mr. Marder reports that some of our European allies are not quite so caustic about the Soviet proposal as we seem to be. The Soviet tactic of dividing the allies, of promoting disunity

and doubt in our ranks, seems to be working. The reason—because we fail to lead.

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

LONDON, BONN EXPRESS HOPE

(By Murrey Marder)

LONDON, March 31.—Official speakers here and in West Germany cautiously expressed hope tonight that the Soviet nuclear test suspension is a sincere move to help achieve peace.

The contrast between their public comment and the open criticism expressed by the United States illustrates how the Soviet statement deliberately hits Great Britain and West Germany on an emotional sore point.

These are the two North Atlantic Treaty Organization nations which have experienced the loudest parliamentary and public outcries over nuclear disarmament, although Britain is a nuclear power and Germany is not.

From Britain's Foreign Office tonight came no official comment on the Soviet statement. But authoritative sources interpreted the Soviet action as virtually meaningless in terms of bonafide disarmament, for reasons similar to those stated in Washington.

BUTLER HOPEFUL

When questioned on a previously scheduled television panel show tonight, however, Richard A. Butler, government leader in the House of Commons and also Home Secretary, expressed hopefulness.

"I only hope that this is a sincere move toward the future of peace" said Butler, in answer to questions on BBC–TV. "We have to reflect, for example," he said, "that this follows upon the greatest series of Russian tests that have ever taken place." The announcement, he said, has to be examined in light of the West's own disarmament proposals, which go beyond it.

Yet, said Butler, "I don't think one should take a nonconstructive view toward this move, and we shall certainly not examine it in that sort of spirit. We have to examine it in the desire that it will lead to peace."

He said Britain was "ready to abandon tests provided that this is done within the framework of general disarmament."

GERMAN REACTION

In West Germany—which has just undergone bitter parliamentary debate over arming the Bundeswehr with tactical nuclear weapons—a similar note of qualified hopefulness came from Federal press chief Felix von Eckhardt.

If the Soviet offer to stop nuclear tests is a genuine gesture of good will and not just propaganda, West Germany welcomes it, von Eckhardt said in Bonn. He recalled the Western powers had offered to halt both the production and testing of nuclear weapons, and said some form of control would still be necessary.

Socialist opposition leader Erich Ollenhauer, whose party has condemned any nuclear arming of West Germany, said the Soviet statement represents an "easing of the international situation." Ollenhauer said the unilateral Soviet action should be made into an effective East-West agreement.

The Soviet announcement reechoed in London as talks on disarmament were under way in the foreign office with United Nations Secretary General Dag Hammarskjold. Hammarskjold arrived here Sunday after talks with Soviet leaders in Moscow.

This morning British Foreign Secretary Selwyn Lloyd and other top diplomats met with Hammarskjold for what was later described as "a general discussion of the international situation, with particular reference to disarmament."

There was no public indication whether Hammarskjold had brought with him from Moscow any new approach to the disarmament deadlock within the United Nations, or any message on preparation for summit talks. Normally reticent about such discussions, Hammarskjold may give some hint of his own views of summit prospects on Wednesday when he addresses a United Nations Association luncheon here.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the editorial entitled "Accentuate Positive, Ike," published in the Minneapolis Tribune, be printed at this point in my remarks.

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

ACCENTUATE POSITIVE, IKE

If Russia should announce with fanfare that it is suspending both testing and production of nuclear weapons, the United States response should be immediate and positive. The President should say: "Great. This is exactly what we have called for all along. Now let's agree on a detection-inspection system that will convince the whole world we mean what we say."

If the Soviet announcement covers only tests and not H-bomb production, the Washington reaction will be more difficult to prescribe, though persistent reports say our Government is almost ready to negotiate separately on test cessation.

What is imperative in any case is that Washington be ready to say something positive. Under the best circumstances, any such Soviet move will score a major propaganda victory in many parts of the world.

That victory could be compounded if Washington either dismissed the announcement contemptuously as a propaganda stunt or reacted in as niggardly and grudging a fashion as it did to the launching of Sputnik I.

The fact is that Nikita Khrushchev himself announced last June 13 that the Soviet Union was "prepared to agree" to establishment of inspection posts within its territory for control of nuclear tests. And the following day, at the London Disarmament Conference, Valerian Zorin proposed that a test ban "be implemented by scientific control posts to be set up in the United States, the U. S. S. R., the United Kingdom, and Pacific Ocean areas."

Let Mr. Eisenhower remind the world of these proposals and challenge the Soviet leaders to follow through on them promptly to demonstrate their good faith.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "The Nuclear Dilemma," published in the Washington Post and Times Herald of today. In my mind, the editorial is a masterpiece and is must reading for every thoughtful citizen. I hope it will be placed on the President's desk. I hope it will be subject of official consultation and discussion as the editorial states:

Here is, indeed, a painful example of too little and too late. The administration has rejected bold counsels for those of the persons who quibble about detection or who contrive other reasons not to act. By self-righteously refusing to make any concession, we have enabled the Russians to score a brilliant psychological coup.

Here is the unhappy, pathetic, embarrassing episode in a nutshell. Tired, timid, and self-righteous men quibble, fiddle, and fuss while Soviet power marches on.

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

THE NUCLEAR DILEMMA

Russia's announcement that she is unilaterally suspending nuclear weapon tests places the United States in an extremely ugly position before world opinion. The extent of the problem results in large part from the timidity and stubborn indecision of the administration in Washington.

An earlier determination to seek an agreement ending or controlling nuclear tests, apart from other disarmament issues, could have offset the effect of this announcement. It could, also, have promoted the entry of international inspectors into the Soviet Union—something to which the Russians tentatively agreed at London last summer but which now apparently has gone by the board.

It is quite true that the announcement is self-serving. It may be designed largely or principally for propaganda purposes. The move comes just after completion, as the State Department notes, of "an intensive series of secret Soviet tests." Mr. Gromyko reserves the right for Russia to resume testing if other nations do not also suspend their tests—which could mean resumption as soon as the results of the recent series are evaluated and new experiments prepared.

Even if the Soviet Union is receiving a free propaganda ride, however, the essentially negative and sour official American comment is not likely to persuade many persons abroad of the wisdom of this country's course. The Soviet Union has taken a step that has the appearance of a constructive response to fears of nuclear war and the perils of radiation. The United States, despite the effusive references to the United Nations in the official statement, has made no real response.

Here is, indeed, a painful example of too little and too late. The administration has rejected bold counsels for those of the persons who quibble about detection or who contrive other reasons not to act. By self-righteously refusing to make any concession, we have enabled the Russians to score a brilliant psychological coup. The effect in Britain, where there is a great nuclear debate, is likely to be especially devastating. Anything the United States now may do on this issue will seem to be merely the reluctant result of Soviet initiative. The Russians are in a position virtually to paralyze American policy.

The larger question, of course, is not who is to blame, but how to get out of the dilemma. The United States could decide to flout world opinion and proceed undaunted with its test program and other nuclear developments. But this would not satisfy aroused feelings in Western Europe, let alone in the neutral countries; it would be portrayed by the Communists as warmongering and it would be likely to spur new doubts about this country. Or the United States could echo the Soviet announcement with some amendment or modification. But in the circumstances this might seem to be yielding to the Russians in a gesture which, by itself, would not really reduce the danger of nuclear war.

For some time it has been apparent that the large nuclear deterrent possessed by both this country and the Soviet Union could never be used, as presently constituted, in any sane sense. A large-scale nuclear war probably would mean the extermination of civilization. Talk of winning such a war is nonsense. Likewise, talk of instantaneous massive retaliation is misleading. The threat of retaliation is useful as a deterrent in the first place; but neither country actually could retaliate, after an initial blow had been struck, without inviting completion of the process of radioactive extinction.

In an age of nuclear parity such as now exists—even though some American policymakers do not appear to have accepted the fact in their thinking—the basic danger is not all-out war. What the Russians are now doing, however, is seeking to neutralize the remainder of the nuclear deterrent. They are attempting to make impossible the reliance on nuclear weapons in any situation. Since there has been so little American military interest in genuinely small nuclear weapons, and since this country and its allies have reduced their conventional forces in the face of Soviet conventional superiority, this neutralization drive constitutes a real peril.

There has been so much phoniness in administration discussion of the so-called "clean" bomb that its merits have been largely obscured. This newspaper has noted that large "clean" weapons would be a contradiction in terms. Yet there is one respect in which there is an argument for large "clean" weapons. If the present large deterrent is so horrible in its probable radioactive effects that it could not be used even in extremes, then its deterrent value becomes questionable. Thus there would be a point to the conversion of the stockpile to weapons with less radioactivity.

In respect of smaller weapons, if the "clean" argument has validity, we ought to be adapting the formula not only to the medium range but also to the very small category. Unhappily, the military forces have shown very little interest in either "clean" or really small weapons. But without such conversion, we may actually be arming ourselves with weapons which, in view of the Soviet propaganda campaign, would be harder and harder to use in any conflict and which, for psychological reasons, might prove impossible to use at all.

Now, all of this may be an argument for continuing some sort of tests, since more tests are apparently necessary to perfect "clean" weapons. But plainly the United States would be at an enormous, perhaps impossible, disadvantage if it sought to continue tests unilaterally on the present basis.

There is one way out of the dilemma, and that would be to place all further tests under United Nations supervision, making the results of the tests—as well as the technology of "clean" weapons—freely available to the Russians. If some of the advocates of continued testing are right, it would be possible to complete all necessary tests underground with no significant discharge of harmful radioactivity into the atmosphere. Meanwhile, existing monitoring work could be maintained and the demand for an inspection system could be renewed.

To do this would require some major rethinking in the administration and the Pentagon. It would require, first of all, full acceptance of the meaning of nuclear parity; and, secondly, full understanding of the plight into which Sovite astuteness and our own official recalcitrance have maneuvered us. But the dilemma cannot be solved by equivocating or bemoaning it. It can only be solved by facing it honestly. Without some such move we may soon find that we are being disarmed in practical military effectiveness in the same way that the Russians are now seeking to disarm us psychologically.

Mr. HUMPHREY. Mr. President, for emphasis, let me read the last 2 or 3 lines of the editorial just printed in the RECORD:

But the dilemma cannot be solved by equivocating or bemoaning it. It can only be solved by facing it honestly. Without some such move we may soon find that we are being disarmed in practical military effectiveness in the same way that the Russians are now seeking to disarm us psychologically.

What is proposed in the editorial makes sense. It is a proposal which some of us have mentioned before, namely, that if we are going to continue the tests in May, which apparently our Government seems to be determined to do, then, as the editorial says, there is one way out of the dilemma, and that would be to place all further tests under the supervision of the United Nations and to make the results of the tests and the technology of the clean weapons, as well, freely available not merely to the Russians, but to the entire world.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a splendid article entitled "Slow Footwork," written by Joseph and Stewart Alsop.

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

SLOW FOOTWORK

(By Joseph and Stewart Alsop)

As these words are written the American policymakers are nervously waiting for the announcement of a Kremlin decision to suspend all further Soviet tests of nuclear weapons for a considerable trial period, while this emotion-charged question is being negotiated by the leading powers.

The Kremlin has already underlined our sinfulness and its own attachment to the cause of peace by denouncing the oncoming American program of nuclear weapons tests at the United Nations. The effect of these gracious gestures on our allies and the world will not be lessened, either, by the fact that the Soviets have obviously just completed all the tests of nuclear weapons they have any present need to make.

The Soviet test series, in itself a remarkable phenomenon, began 8 months ago. Since last August their tests have been made both singly and in groups, and at a new proving ground north of the Arctic Circle, as well as at the Siberian proving ground always previously used.

Rather early in the series, a powerful fusion device was exploded at very high altitude. Other weapons tested have been described as substantial in size, having a large yield, and in the magaton range. Considerable numbers of small weapons also have been tested and, on two occasions, there have been two tests of different weapons on the same day. In all, 15 weapons tests have been made in 8 months. This statistic is all the more striking because the Soviets have made only 39 tests in all since their first successful atomic shot in 1949.

The tests gave no indication of any serious Soviet competition with the American effort to get a clean nuclear bomb. But the high altitude explosion of a fusion device must be interpreted as an important step in Soviet development of an antiaircraft rocket with a nuclear warhead. And various signs understood by the scientists indicate that a good many of the other weapons tested have been physically very compact, and therefore suitable for delivery by medium- and long-range ballistic missiles.

Such is the Soviet test story, which adds just the right note of grim irony to the predicament of the American policymakers. Judging by the increasing passion of the debate about nuclear weapons in both Britain and West Germany, the American policymakers' predicament is going to be very unpleasant indeed, if the Kremlin comes through, as forecast, with its phony announcement of a voluntary suspension of further nuclear tests as a contribution to peace.

The phoniness will hardly be noted, in either Germany or Britain, or indeed anywhere else. The Kremlin initiative will be taken at face value. The British Government of Prime Minister Harold Macmillan will be under particularly heavy public pressure to match the Kremlin's gesture with a similar gesture of its own. In his present, weak political situation at home, Macmillan may even be driven to take independent action if the United States hangs back.

Meanwhile, if the American Government insists on continuing its nuclear tests, the United States will be denounced for bloodymindedness and intransigence. And it will not be much better if we say we are also ready to end nuclear tests, after making adequate provisions for inspection, as the President vaguely hinted we might eventually say at his last press conference. For in this latter case, we shall just appear to "me too" the Soviet initiative, and the credit for ending tests will go to the Soviets.

Just to increase the irony a little further, there is the additional fact that the American Government has had ample warning of the Kremlin's intentions. Weeks have passed since the intelligence analysts first warned the State Department and the Atomic Energy Commission that they must be ready for a Kremlin announcement of voluntary test suspension.

Even before this warning, the idea of closing the atomic club by agreeing to end tests was already gaining ground within the administration. One could predict that this idea would eventually become firm policy. It was even described in certain high circles as the one positive thing that might be agreed upon at a summit meeting.

But fighting the whole trend with great bitterness and astuteness was the Chairman of the Atomic Energy Commission, Adm. Lewis Strauss, with his staff and allied scientists. The committee meetings that were held on all levels after the intelligence warning were riven with argument and discord. Secretary of State John Foster Dulles, who alone might have made a decision, was away until very recently on the conference circuit. So the final policy decision was the one that has become increasingly usual.

It was the decision to do nothing, to remain impassive, to wait dumbly for the other side's blow, because agreeing to do nothing was easier than agreeing to do something.

Mr. HUMPHREY. Mr. President, I call the attention of my colleagues to the concluding paragraphs, in which the Alsop brothers point out that our Government had known for weeks that the Soviet Union would abandon the tests. That was no secret. This Senator stood in this Chamber and said so several days before it happened. The Soviet Union gave many indications that it would make a unilateral declaration of the cessation of the tests.

The intelligence agencies of the Government told the executive branch of this, just as it warned the executive branch last summer of the sputniks which would go into outer space in October. I commend the Central Intelligence Agency for making available the facts. But when facts are laid before the executive branch, there are no decisions made. Facts are meaningless without decisions. Facts are useless without policies being derived therefrom.

What do the Alsop brothers say? They point out:

But fighting the whole trend with great bitterness and astuteness was the Chairman of the Atomic Energy Commission, Adm. Lewis Strauss, with his staff and allied scientists. The committee meetings that were held on all levels after the intelligence warning were riven with argument and dis-

cord. Secretary of State John Foster Dulles, who alone might have made a decision, was away until very recently on the conference circuit. So the final policy decision was the one that has become increasingly usual.

Listen to these words, fellow Americans:

It was the decision to do nothing, to remain impassive, to wait dumbly for the other side's blow, because agreeing to do nothing was easier than agreeing to do something.

Mr. President, no condemnation that any Member of the Senate could ever make would be more devastating or telling than that. The decision to do nothing, I repeat—nothingness in the age of revolution—will lead to disaster. A government which is incapable of making decisions actually permits decisions by default that lead to trouble. It leads the Nation by its apathy and indifference to catastrophe.

Those are challenging words by the Messrs. Alsop, and I join in them and express them as my own.

Mr. President, I call attention also to an article entitled "Propaganda Tragedy," written by James Reston, and published as a feature article in the New York Times for today. It is a summation of factors which have given the Soviet Union an advantage over the United States. I think the headlines are revealing. One of them is: "Wishful Thinking Aids Soviet." Another is: "Dissension Splits West." I ask unanimous consent that the article be printed at this point in the RECORD.

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

PROPAGANDA TRAGEDY—A SUMMATION OF FACTORS THAT HAVE GIVEN SOVIET ADVANTAGE OVER UNITED STATES

(By James Reston)

WASHINGTON, March 31—There are three ways to deal with the Communists: the best way is to play the diplomatic and propaganda game to the hilt; the next best way is to ignore them and concentrate on the unity of the West, and the worst way is to compromise between the two and lose the advantages of both. Unfortunately, the United States has chosen the third way. It has neither won the confidence nor attained the unity of the West nor has it mobilized all its diplomatic and propaganda instruments for the political war against Moscow.

It has come into the propaganda arena with one yes, and like Carmen Basilio, it has taken a terrible beating.

This was the tragedy of Washington tonight as it tried to deal with the announcement that Moscow was going to end all hydrogen and atomic weapons tests for the time being. Moscow acted, as it acted with its earth satellites, for propaganda purposes. Washington reacted with words, and found itself once more on the defensive.

WISHFUL THINKING AIDS SOVIET

If this were a well-informed world in which reason and logic prevailed, Washington could rely on the good judgment of mankind. But, unfortunately, reason and logic are in short supply. The Soviet Union is telling the world what it wants to hear, and the element of wishful thinking is on its side.

Washington's two major proposals are perfectly simple.

Reliable arms limitation requires reliable inspection, and unreliable disarmament is criminal negligence.

Heads-of-government negotiation demands careful advance preparation.

There is not a single non-Communist diplomat in this city who disagrees with either of these positions. There is scarcely a well-informed individual in the world who knows the postwar record of the Soviet Government who regards these two points as unreasonable. Nevertheless, the propaganda tide is running against this capital.

REASONS FOR SITUATION

There are various reasons for this, among them the following:

The Soviet Government can control the flow of information out of and inside the Soviet Union and the United States cannot and does not want to.

Moscow is exploiting Asia's hatred of the Western powers and Europe's suspicion of a resurgent Germany.

The Soviet Union is telling the world what it wants to hear: that it can have peace by talking about it; that a top-level meeting will settle everything.

Washington has never really mastered the art of repeating the truth, or mobilized its intellectual and economic resources to engage in the kind of political war Moscow has forced upon the world in the last 15 years.

Finally, as the leader of the Western coalition, the United States not only has been outmaneuvered by the Communists, but also has left its allies to wonder whether it really intends to throw all its resources into the unification of the Atlantic community, or for that matter, whether it will really support them if they get into serious trouble with Moscow.

DISSENSION SPLITS WEST

So long as the "trumpet gives forth an uncertain sound," and so long as the United States holds back from bold action to create a stronger Atlantic community, economically and politically, the Western coalition is wracked with dissension.

The opposition parties in Britain, France, and West Germany are all playing the United States off against the Soviet Union. The intellectuals who control the press of the West European and neutral worlds are overwhelmingly critical of the failure of the United States to define and articulate its purposes.

Meanwhile opportunities have been squandered here by the men responsible for United States action. They concede now that they had developed the largest hydrogen bombs long ago to the point where they could safely have acted on their own, if necessary, to stop testing this particular kind of weapon.

Many of them believe, too, that it was possible for the United States to announce that it was prepared to do all its atomic weapons testing underground where atomic radiation would not be scattered around the globe. But these things were not done.

What is even more surprising is that the United States, which pamphleteered its way to independence and elevated advertising and the other arts of persuasion into a national cult, should be unable to hold its own in a battle for the headlines of the world.

Everything the State Department said about the faithlessness of the Soviet Union today is true. Everything it said about the need for testing and for diplomatic preparation is true. The problem, however, is to make the world see that these things are true.

Mr. HUMPHREY. Mr. President, I conclude on a sad and serious note. Time is running out. Again, we are doing too little, too late. As yet, we do not know what our policy will be. Are we to continue the tests, or are we not? If we do not, apparently it will mean that the Soviet has compelled us, by force of propaganda, to withdraw from the tests. If we do conduct the tests, we can expect to be assailed and denounced.

Yet within 250 miles of this Chamber stands an institution dedicated to the preservation of peace; an institution which had its conception and birth in America—the United Nations.

I suggest that our diplomacy get out of Foggy Bottom and move on up to the United Nations, where the environment is one that is conducive to peace and discussion; where the facilities are designed for international conclaves; where the Secretariat itself, under the dedicated leadership of Dag Hammarskjold, has a beneficent and and helpful influence in the cause of peace.

Then, Mr. President, we will not have to worry about who will attend, whether it be Khrushchev or Gromyko. If they come to the United Nations, they will come to America; but they will come to a center designed for peace. Whoever it may be, whether it be the First Minister, Mr. Khrushchev, or whether it be Gromyko, whoever comes will have to work within the rules, within the confines, and within the Charter of the United Nations.

Mr. President, I ask unanimous consent also to have printed at this point in the RECORD an editorial entitled "Awaiting Russia's Move," published in the Minneapolis Tribune of March 31, 1958, and an editorial entitled "Banning Bomb Tests," published in the New York Times of April 1, 1958.

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

[From the Minneapolis Tribune of March 31, 1958]

AWAITING RUSSIA'S MOVE

Rumors that Moscow will shortly announce suspension of all nuclear weapons tests and thus score a propaganda victory at the West's expense remind us sadly of a suggestion we humbly advanced 1 year ago today. On March 31, 1957, the Tribune said:

Why don't we call the Soviet bluff? Why don't we say to Moscow and the world: We are scrapping any plans for additional tests of superhydrogen bombs as of this date and we challenge Russia to do likewise.

By super-H bombs we meant the so-called magton bomb—those packing an explosive force upwards of a million tons of TNT.

In candor we cannot say that the response to our suggestion from either Government or the public was exactly electrifying. We still believe it was sound, however, and if carried out might have left the United States in a political position several notches above the one it now occupies.

Our thinking ran along these lines: The biggest bombs create the biggest fall-out fears around the world. But from a military standpoint, our problem for some time has beeen not to build bigger bombs but smaller ones—much smaller. Our services now are talking about H-bombs in the 10- or 15-kiloton range. The self-imposed ban we proposed would not have hampered development of nuclear warheads for artillery or missiles.

"The risk involved in any H-bomb test ban may not be so great as the political risk of standing adamant on our demand for foolproof inspection while Moscow runs with the ball," we wrote a year ago.

But the United States did stand pat; did shun even this fairly obvious stand which would have risked little and might have gained much. And now we are sitting around fearfully, wondering if Moscow is

about to run again—and spectacularly—with the propaganda ball.

Did it have to be this way?

[From the New York Times of April 1, 1958]

BANNING BOMB TESTS

Premier Khrushchev begins his rule as undisputed ruler of the Soviet empire with a spectacular but transparent maneuver. He announces through Foreign Minister Gromyko, to the cheering approval of the Supreme Soviet, that Soviet Russia is suspending unilaterally and of its own accord all further atomic and hydrogen weapons tests as a first step toward disarmament and asks the United States and Britain to follow suit. He also declares that it is the chief aim of the Soviets "to reach agreement with other powers on an unconditional ban of all types of atomic and hydrogen weapons, the ending of their production and complete destruction of existing stocks, with appropriate control."

The announcement is clearly part of Moscow's campaign to represent Soviet Russia as being in the vanguard in the drive toward peace and disarmament, and there is little doubt that it will have a wide impact as propaganda. But the real meaning of this move is self-evident.

First of all, as the State Department points out, the announcement comes only after the Soviets have completed their own latest series of intensive weapons tests, in which they are believed to have perfected nuclear warheads for their intercontinental missiles. Prior to these tests they categorically rejected appeals to stop the tests on the ground that they could not do so as long as the United States and Britain continued their tests. As some time is bound to elapse before the Soviets are ready for their next test series, they are obviously utilizing the necessary interval in an effort to score a cheap propaganda gain.

Furthermore, the Soviets make their test suspension conditional on like action by the United States and Britain and declare that if other countries continue testing they will be free to resume their own tests. This is obviously aimed at the tests scheduled by the United States under foreign observation this spring and summer, against which the Soviets have already protested. These tests are designed to perfect our own nuclear missile warheads, to develop depth charges against the threat of the vast Soviet submarine fleet, to improve our tactical atomic arms and to develop a clean bomb which can be also used for peaceful purposes, without the fallout which the Soviet bombs are scattering.

The Soviet reasoning is plain. Should the United States now cancel its tests, the Soviets would score not only a propagandistic but also a decided military advantage. If the United States does not cancel its tests, as it will not, the Soviets will cancel their own test suspension and blame the United States.

Finally, it should be noted that the Soviets profess to suspend their own tests, and demand like suspension by others, without, and certainly prior to, the establishment of adequate controls. The Western powers have long pressed for an end to the tests, and the United States has been moving even to a divorce of the test suspension from the prior demand for an end to bomb production, but always only under adequate control. The Soviet move therefore amounts in effect to a stratagem to evade such controls.

A similar purpose is evident in the Soviet's proposal to ban nuclear weapons, stop their production, and destroy existing stockpiles. This, too, has been a long-standing aim of the West, advanced as early as the Baruch plan. But the West always has and always must insist on two conditons. One is adequate control to guarantee the West against Soviet surprises. The Soviets do mention "appropriate" controls in this context, whatever that may mean, but in practice they have rejected every appropriate plan to put such controls into effect, and to prevent any further progress on achieving such controls they now boycott the United Nations Disarmament Commission.

The second necessary condition is simultaneous reduction and control of conventional armaments. Until this has been achieved the atomic and hydrogen weapons remain not only the main safeguards of the West against being overun by Communist-dominated Eurasian land armies but also the greatest deterrent to Communist aggression and therewith the best guarantee of peace.

If the Soviets are honest in their professed desire for disarmament, let them heed the call of the United Nations and deal with the problem in an orderly way in keeping with the U. N. Charter or bear responsibility for the continued arms race.

Mr. HUMPHREY. Mr. President, I cannot understand why we are so hesitant. I plead with our Government and I urge upon our President that we hear his voice and that we find from him what is to be our course of action. In such a situation as this, no one except the President can give direction. We need him now, and we need his sense of direction and vision for clear-cut objectives, not only for the United States, but for the entire world.

Mr. WILEY subsequently said: Mr. President, today the distinguished junior Senator from Minnesota [Mr. HUMPHREY] had printed in the RECORD an editorial entitled "Banning Bomb Tests," which was published in the New York Times. I read the editorial several times. It presents an admirable analysis of that situation. I believe that those who have not read the editorial should be sure to read it, because it shows clearly what the Kremlin is up to.

In the same issue—that of April 1—of the New York Times there was published an article, written by Arthur Krock, entitled "Where Performance Is a Total Stranger to Promise."

Mr. President, today I talked to a group of high-school students. In many cases it seems that the students almost become mesmerized by some of the terms which are used—for instance, by the term "disarmament." Of course, all of use desire that war shall cease. However, ever since the days of cavemen, the race has been fighting.

Now that our globe has shrunk so greatly, so that today each nation is a neighbor of all other nations, we must not permit ourselves to be disarmed by words. The word "disarmament" has a wonderful sound, and all of us favor disarmament. But when we realize, as a result of reading the article written by Arthur Krock, that those in the Kremlin do not keep faith, we can readily reach the conclusion that there is no way to get results unless we deal with somone who has moral responsibility. The trouble is that the facts indicate clearly that those who rule in the Kremlin do not have responsibility. The last move they made was solely for propaganda purposes, in an attempt to confuse the people of the United States and of other countries.

Mr. President, in 1931, all the people of the United States thought the Nation was safe and could not be attacked. But in 1941, the attack on Pearl Harbor came. At that time the world was large, so to speak; the Pacific Ocean constituted an effective barrier. Following the attack on Pearl Harbor, the people of the United States had 2 years' time in which to "pick up the pieces." Our people succeeded.

However, had the people of the United States been alert, not complacent; had they been awake, not asleep, 2 years of war could have been saved, in addition to $100 billion of our wealth and tens of thousands of American lives.

Mr. KNOWLAND. Mr. President, at this point, will the Senator from Wisconsin yield to me?

The PRESIDING OFFICER. (Mr. BUSH in the chair). Does the Senator from Wisconsin yield to the Senator from California?

Mr. WILEY. I yield.

Mr. KNOWLAND. Does the Senator from Wisconsin also recall that in the period immediately prior to the attack on Pearl Harbor, our country was visited by two very affable emissaries and ambassadors who smiled and made friends, presumably, and were advertised as great apostles of friendship—Admiral Nomura and Mr. Kurusu?

Mr. WILEY. Yes.

Mr. President, I have stated before, and I now repeat—because at that time not all of us were asleep—that in February 1941 I submitted, on the floor of the Senate, a resolution which asked the President to report to the Congress the conditions of the defenses of the United States in Hawaii and in the Philippines. At that time I spoke in the Senate on that subject.

No attention was paid to it. In March of 1941 I spoke again to the resolution, and I then asked the question, "Will our fleet be caught, as was the Russian fleet in the Japanese-Russian War?" No attention was paid to that question. Mr. President, in a few months the Pearl Harbor catastrophe befell us, and we were caught.

I make reference to that event only because before sputnik we had fallen into another complacent attitude. We had been assured that we had deterrents which were sufficient and adequate to prevent Russian aggression. That feeling was shared by the American people by and large, though not by our Armed Forces, thank the Lord. But at the time of Pearl Harbor our Armed Forces—the Army, the Navy, and the Air Force—were asleep, as were the American people. Now our Armed Forces are engaged in a competitive enterprise to find the best answer. At the time of sputnik we found the activity of the Armed Forces was pretty good. Much criticism was made of the fact that we were not the first to launch sputnik, but the launching of sputnik by the Russians alerted the American people and made them aware that while the people had been asleep, the Kremlin had not been. That event alerted us also to the fact that we could not sit by and close our eyes to the realities of our times.

The statement I have made relates to the article written by Arthur Krock en-

titled, "Where Performance Is a Total Stranger to Promise."

I said yesterday, and I shall repeat the statement, that David Lawrence in his magazine has pointed out that we entered into 52 agreements, and the Kremlin violated 50 of them.

Everybody is talking about the recession, many are picking on the President, many are running for office. Everyone forgets that the big job before us is to maintain the peace. The big, overall job is to know what it takes to keep the peace. There is a constant need for an awareness of what constitutes an adequate defense, so there will not be a repetition of Pearl Harbor, or even of conditions as they existed before sputnik.

Mr. President, I ask unanimous consent that there may be printed in the RECORD following my remarks the article to which I have referred, written by Arthur Krock.

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

WHERE PERFORMANCE IS A TOTAL STRANGER TO PROMISE

(By Arthur Krock)

WASHINGTON, March 31.—The Soviet Union has given its word that, on some unspecified date and for an unspecified period, it will make no further tests of nuclear weapons. So prominent among the issues this pronouncement raises is, how good is the word of the Soviet Union?

If it were absolutely established among scientists who devised the detector systems that these infallibly will register any such test, or if the Soviet Union had also agreed to an effective check on its compliance, the integrity of the Kremlin's pledge would not be high among the issues it evokes. But, in the absence of both circumstances and in the presence of others, it inevitably is.

The very announcement by Foreign Minister Gromyko to the Supreme Soviet in Moscow today ignores for the *n*th time a solemn contract of the U. S. S. R. This is its signature on the Charter of the United Nations, which includes these two articles, 26 and 47:

"26. In order to promote the establishment and maintenance of international peace and security, with the least diversion for armaments of the world's human and economic resources, the Security Council shall be responsible for formulating, with the assistance of the Military Staff Committee * * * plans to be submitted to the members of the United Nations for the establishment of a system for the regulation of armaments.

"47. [in part] The Military Staff Committee [shall] assist the Security Council on all questions relating to the * * * Council's military requirements for the maintenance of international peace and security, the employment and command of forces placed at its disposal, the regulation of armaments, and possible disarmament."

The other nuclear powers resorted to this medium in conformity with their contract, and the General Assembly also set up a commission. Soviet Russia boycotted the commission after rejecting every disarmament pattern other nations have drawn (including nuclear) in the United Nations, beginning with the Baruch plan.

UNVARYING REPUDIATION

This conduct is wholly consistent with a long series of other contractual repudiations by Soviet Russia. In a staff study made for a Senate subcommittee in 1956 of "nearly a thousand treaties * * *, both bilateral and multilateral, which the Soviets have entered into" it was documented that "in the 38 years of its existence" the Soviet Union "had broken its word to virtually every country to which it gave a signed promise." For example, "it was violating the first agreement it ever signed with the United States at the very moment the Soviet envoy, Litvinov, was putting his signature to that agreement." And the burden of proof is crushing on anyone who contends that the word of the Kremlin government under Khrushchev is any more to be relied on than that of the government under Stalin.

But even if Khrushchev should find it compatible with the maintenance of the Soviets' military strength to suspend nuclear tests for a considerable period, that would merely establish the phony nature of the "pledge." The Russians have just completed a long round of experiments with nuclear weapons that they have proclaimed as successful, and, according to our experts, they will require from 8 months to a year to get ready for the next round. The British are still on the way to their comparable objective. And, if the United States is to attain its present goal of reducing to a minimum the perilous fallout of atomic weapons, it must finish that program by the tests it has scheduled. For both nations now to suspend their programs, without a check system on Soviet activities in the field of nuclear weapons, would be to leave half done what the Russians, to their obvious satisfaction, have completed.

The only basis for the suspension would be the concept that thereby the international propaganda effects of the Gromyko announcement would in some measure be countered. And in view of the stakes involved, this not only would be the flimsiest and most perilous basis conceivable for major military policy. It would greatly help to confirm the estimate, among peoples gullible enough to believe this, that a Soviet Union dedicated to peace has forced a way to that peace on a Great Britain and United States whose objective is war.

Nevertheless, from comments made by influential and sincere persons in the United States and abroad, it already is obvious that as a propaganda stroke the Soviet move was effective. These citizens argue it could have been averted by a prior announcement of the same kind by the United States. We had the time and the occasion to do that. Yet implicit in the action would have been a blind or reckless disregard of these factors:

The signed adherence of the United States to the United Nations Charter. A major policy split with the British Government, which made clear it would not suspend its scheduled tests. The certainty of some of the greatest experts in the field that detection can be evaded in the vast spaces of the Soviet Union. The United States progress toward perfecting a "clean bomb." And above all the historic proof that the Kremlin makes promises, even specious ones like this, only to break them.

CONTINUANCE OF STANDARDS AT VETERANS' HOSPITALS

Mr. NEUBERGER. Mr. President, an urgent situation now exists at the Veterans' Administration hospitals, centers, and domiciliaries. Current congressional appropriations will not support presently legislated benefits and accepted concepts of medical care for veterans.

I am sure that no Member of Congress favors the deterioration of medical care for veterans. Yet, that is exactly what is happening.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a resolution, adopted on March 21, 1958, in Oakland, Calif., by the managers of 23 Veterans' Administration hospitals, centers, and domiciliaries located in the States of California, Oregon, Washington, Arizona, Idaho, Nevada, and Montana. The resolution points out the present, critical condition affecting Veterans' Administration medical facilities.

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

RESOLUTION—MANAGERS CONFERENCE, MARCH 19–21, 1958

The managers of the 23 Veterans' Administration hospitals, centers, and domiciliaries located in seven Western States have met to consider our hospital program for the next 2 years. Our deliberations have revealed a simple stark reality. Current appropriations will not support presently legislated benefits and accepted concepts of veterans medical care.

The inexorable flood tide of price increases on all fronts is recognized throughout the hospital field. Voluntary hospitals, State hospitals, and university hospitals have experienced the effect of rising costs. With the possible exception of a few State hospitals, the costs are reflected in large rate increases and in substantial appropriations each year. In the nongovernmental hospitals these costs are passed on directly to the patient.

Our Veterans' Administration hospitals have not received funds over the past several years sufficient to keep abreast of these ascending costs. We are endeavoring to maintain a medical program equal to that offered in the community on preinflation appropriation levels. Neither have managers had funds adequate to discharge their specific responsibility in protecting the Government's investment in the physical plant and in equipment.

We have economized to the extent that essential care to our patients is inevitably deteriorating. Our 23 hospitals must have a substantial increase in fiscal year 1959 and a specific increase of $10 million for 1960 over and above the appropriation for 1958 in order to retain an acceptable level of medical care and to maintain our physical plants. These sums do not include whatever might come in a general pay raise for Federal employees, or the automatic wage boosts for blue collar workers.

Unless these sizable sums are made available, Congress must face these alternatives:

1. Lower quality of medical care and further deterioration of the physical plants; or

2. Reduce beds with a concomitant reduction in patient load:

(a) Close selected hospitals throughout the country.

(b) Close whole section of beds in many hospitals.

We therefore unanimously resolve that the Bureau of the Budget and the Congress of the United States be apprised of this basic issue and be requested to take clear-cut remedial action.

A PERMANENT UNITED NATIONS FORCE

Mr. HUMPHREY. Mr. President, on August 8, 1957, the Senate adopted Senate Resolution 15, which expressed the sense of the Senate in favor of the establishment of a permanent United Nations Force similar in character to the United Nations emergency force in the Middle East. As a cosponsor of the resolution, I know how much its adoption meant to

those of us who for many years have been working in favor of the principle of a United Nations police force. I ask unanimous consent that the text of the resolution, as it was agreed to by the Senate, be printed at this point in the RECORD.

There being no objection, the resolution (S. Res. 15) was ordered to be printed in the RECORD, as follows:

Whereas the United Nations emergency force, created pursuant to resolutions of the United Nations General Assembly of November 3 and 4, 1956 (A/RES/391 and A/RES/394), has made an important contribution to international peace and security in the Middle East; and

Whereas the need for such a force appears likely to continue; and

Whereas such a force could be an important instrument for the maintenance of international peace and security not only in the Middle East but also in other areas of the world: Therefore be it

Resolved, That the Senate welcomes the establishment of the United Nations emergency force.

SEC. 2. It is the sense of the Senate that—

(a) a force of a similar character should be made a permanent arm of the United Nations;

(b) such a force should be composed of units made available by members of the United Nations: *Provided*, That no such units should be accepted from permanent members of the Security Council;

(c) consideration should be given to arrangements whereby individuals would be allowed to volunteer for service with such a force: *Provided*, That individuals who are nationals of permanent members of the Security Council should not be acceptable;

(d) equipment and expenses of such a force should be provided by the United Nations out of its regular budget.

Mr. HUMPHREY. Mr. President, as happens so often with the passage of Senate resolutions, they are adopted and then they quietly gather dust. I have seen no evidence of State Department or Presidential interest or concern with this question, even following adoption of the Senate resolution.

The President and the State Department may not be interested, Mr. President; but many other people are. Among them are some of the most intelligent and articulate voices in the Western World. One of these, Barbara Ward, the distinguished author and economist, has raised this question in many magazine articles and interviews, and, most recently, in an interview reported in the Catholic Bulletin for March 22, 1958, and published under the heading "U. N. Police Force Urged To Prevent Global War."

I ask unanimous consent that the text of the article from the Catholic Bulletin be printed at this point in the RECORD.

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

ECONOMIST VOICES HOPE—U. N. POLICE FORCE URGED TO PREVENT GLOBAL WAR

SAN FRANCISCO, Calif.—Barbara Ward, British Catholic author and economist, says that the West must push hard for a United Nations world police force as an alternative to global war, as an effective containment of Soviets on the prowl and as a prelude to rule by international law and a condition for survival.

In addition, the visitor to San Francisco said:

The West must get Russia out of eastern Europe, particularly Germany.

The brightest glimmer of hope in the world economic picture today is that the West realizes it must remain committed to a program of economic aid and development for underdeveloped countries.

The darkest shadow on the world economic horizon is the threat of recession: It may be only a breeze in America, but it will blow up a hurricane other places. We must check it.

Miss Ward (in private life she's Lady Robert Jackson, whose husband is on loan from the British Treasury to the new nation of Ghana) is convinced the West can regain the initiative in the world seesaw with the Soviet.

The first step is the acceptance of a world police force as a substitute for the "myth of self-determination," she said.

Miss Ward said such an international police proposal would have to include the Soviets and their satellites—but that would still be better than the present occupation of so much territory in eastern Europe by the Reds, and would give anticommunism its chance to breathe and grow in liberated, U. N.-policed areas.

Unless such an international police force materializes, Miss Ward said, she fears that explosive nationalism in the Middle East or Germany will trigger something out of hand.

She called the rise of nationalism in Africa and Asia a great opportunity for all Christians. We must not fail to listen to the cries of these new peoples for help.

Miss Ward, who lectured at Stanford University, returned to Harvard, where she is lecturing this term.

Mr. HUMPHREY. Mr. President, I hope it is not too much to expect that the administration will begin to pay heed to such urgings as those of Miss Ward, particularly when they are buttressed by a full-fledged, unanimously adopted Senate resolution.

SUPPORT OF KENNEDY BILL BY GOVERNOR OF OREGON

Mr. NEUBERGER. Mr. President, the unemployment insurance system enacted 20 years ago sought to provide jobless persons with sufficient temporary income to pay for basic necessities of life. The standards of 20 years ago do not meet the conditions of today. As the national recession continues its course, need for extension and improvement of the unemployment insurance program becomes more apparent.

Few States have felt the impact of adverse national fiscal policies so severely as has my home State of Oregon. Thus, the people of Oregon and their elected officials have learned from experience the shortcomings of the existing benefit program. Gov. Robert Holmes, of Oregon, has studied and analyzed the various proposals for improving the system; and I am pleased to report that he has given his support to the bill introduced by the Senator from Massachusetts [Mr. KENNEDY], of which I am a cosponsor, as is my able colleague, Senator MORSE.

Criticism has been heard from opponents of the Kennedy bill; they state that its provisions would impinge on States' rights. Governor Holmes, of Oregon, refutes that contention. His belief is that the States have the right to support a program that adequately meets the needs of unemployed workers and of the business community.

In order that the Senate may benefit from the views of Oregon's Governor as to the need for improvement of the unemployment-compensation system, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a telegram I have received from Governor Holmes. In the telegram he discloses his views on various unemployment-compensation proposals now before Congress for consideration.

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

SALEM, OREG., *March 31, 1958*.

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Since Oregon is suffering very heavy unemployment in the national economic recession I have studied with keen interest the principal proposals that are before the Congress to improve the unemployment insurance system. One of my chief interests as Governor of Oregon is to do my utmost to improve that program so that it will adequately meet the needs of our workers and of our business community. Oregon's unemployment insurance program is one of the best in the Nation. Even so it still falls far short of being what it should be and there can be no way of making it fully adequate until competition among the States for more favorable tax rates is substantially eliminated. Since major unemployment grows from national policies and nationwide economic conditions, adequate national measures are needed to deal with its devastating consequences. It is my opinion that the Kennedy bill which is coauthored by both of the Senators from Oregon offers the best hope for rebuilding the system into a sound structure. That bill would require all States to provide an adequate benefit structure and Oregon would no longer find it so difficult to adopt measures we need. We already have detailed experience rating standards and there should exist some realistic Federal benefit standards which would reasonably assure that benefits are sufficiently high to balance the loss of employment that results from national and not individual State economic conditions. Thus I strongly favor the Kennedy bill which would make it possible to get the improvements in the program which it seriously needs.

The Mills-McCormack bill would be a short step in the right direction, although it would not be the long stride that would be taken under the Kennedy bill. The Mills-McCormack bill gives full recognition to the fact that unemployment is a national problem and it would provide national funds to meet this emergency. From the long-range outlook it falls short; but it could be an excellent measure to meet the immediate crisis on a temporary basis. Even though it would not result in a permanent improvement in the program it at least recognizes that Federal policies and national economic conditions are responsible for unemployment and that Federal financing of emergency measures to mitigate the effects of unemployment is just and proper. I believe that permanent and fundamental improvements to the system will prove to be essential in the long run. However, if temporary measures are all that we can expect to get at the present time then I believe that the Mills-McCormack bill is the best that has been proposed. I turn finally to the Eisenhower proposal. I cannot believe that the administration bill offers any significant hopes of relieving economic distress in Oregon or elsewhere. Under that bill Oregon employers would be

forced to finance the costs here in Oregon of a Federal program that was made necessary by the short-sighted economic policies of the National Government. The States that have been hit the hardest by unemployment are these like Oregon that are least able to meet the repayment conditions of the Eisenhower bill. Partly because of heavy unemployment our trust fund is low and contains no adequate reserve for repayment of the Federal benefits. Yet repayment is compulsory under that bill and it seems almost inevitable that our employers would have to pay extra Federal taxes to meet the repayment requirements. The bill allows us no option but to meet its terms.

I sincerely hope that the Congress will take the broad view and pass a genuine strengthening measure for the program. If we must rest content with a temporary measure the Mills-McCormack bill certainly affords a much more intelligent temporary solution than does the Eisenhower proposal.

ROBERT D. HOLMES,
Governor of Oregon.

LAW IN THE WORLD COMMUNITY—ADDRESS BY THE LATE JUDGE JOHN J. PARKER

Mr. ROBERTSON. Mr. President, when I was informed of the death on March 17, 1958, of Judge John J. Parker, chief judge of the United States Court of Appeals for the Fourth Judicial Circuit, which includes my State of Virginia, I expressed again, as I had on previous occasions, my regret that unfortunate circumstances had prevented this great jurist and scholar from taking the place for which he was nominated on the Supreme Court of the United States.

The day after he died, Judge Parker was scheduled to speak at the annual conference dinner of the United Nations League of Lawyers in Washington. The conference and dinner were postponed as a mark of respect, but the address Judge Parker had written for delivery on that occasion is so significant that I feel it deserves circulation.

Writing on the subject, "Law in the World Community," Judge Parker developed a theme reminiscent of Woodrow Wilson's vision of a system of international law as an enduring foundation for world peace.

I ask unanimous consent that the text of the address be printed in the body of the RECORD.

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

LAW IN THE WORLD COMMUNITY

(Address by the late John J. Parker, chief judge of the U. S. Court of Appeals for the Fourth Judicial Circuit, prepared for delivery at the annual conference dinner of the United Nations League of Lawyers, Army-Navy Club, Washington, D. C., March 18, 1958)

I esteem it a great honor that you have invited me to speak before this group interested in international law and the law of international relationships. The occasion suggests the subject on which I should like to talk, Law in the World Community. The thing that stands out in the history of the last quarter of a century is that within that period this world of ours really has become one community. Any part of it can be reached from any other part in a few hours' time. Communication is a matter of seconds. Strife anywhere is fraught with real danger that the whole world may be involved and the whole fabric of our civilization destroyed. Never in the history of the human race has there been greater need for men of goodwill to stand and work together for the preservation of those ideals and standards upon which our civilization is built.

In this period of unprecedented crisis and danger, the first duty that confronts us of the free world is to make ourselves strong—strong enough to resist any aggregation of power that may come against us—so strong that no aggregation of power will dare to come. It is true today as it has always been that to be prepared for war is the surest guaranty of peace. Disarmanent and appeasement are not the way to peace. They are the way to war and slavery. There is need for scientific education and the development of scientific instruments of warfare. I would not for an instant discount the supreme importance of this and of our duty to make any sacrifice necessary to maintain our strength. While we maintain it, however, we, as lawyers, must not forget that peace will ultimately rest, not upon scientific achievement, but upon the establishment of law in the world community and that the establishment of law is essentially the work of the lawyer.

I have been especially impressed with this recently by three outstanding speeches. One was by Attorney General Brownell in Westminster Hall, London, when standing before the representatives of the bars of England and America he pleaded for the development of law in international relationships. Another was the speech of the Lord Chancellor of England at the same meeting in which he spoke of the natural law which underlies all organized life of man or nations. The third was the speech of Charles S. Rhyne, president of the American Bar Association, at Los Angeles, in which he urged the lawyers of America to lead in the development of legal machinery by which the principles of law could be interpreted and applied in international affairs. These were practical men. They were talking sense. And their message is one which I would echo here this evening.

What is law? Law is not a mere collection of rules and forms and precedents. Law is the life principle of organized society—the categorical imperative which prescribes how organized society must live. It is not imposed from without, but arises from within the social organism. As Cicero put it, "Law arises out of the nature of things." The Lord Chancellor referring to this law of nature as one of the noblest conceptions in the history of jurisprudence, quoted the following eloquent statement of Lord Bryce, regarding it:

"It is simple and rational, as opposed to that which is artificial or arbitrary. It is universal, as opposed to that which is local or national. It is superior to all other law because it belongs to mankind as mankind, and is the expression of the purpose of the Deity or of the highest reason of man. It is therefore natural, not so much in the sense of belonging to man in his primitive and uncultured condition, but rather as corresponding to and regulating his fullest and most perfect social development in communities, where they have ripened through the teachings of reason."

When this noble concept of law is accepted, it follows that the development of international law is natural and necessary. When men deal with each other across international boundaries or travel into foreign countries for the purpose of trade and commerce or for other reasons, relationships are established, customs arise and reason prescribes rights and duties in numberless situations. Without any international legislature, there arise rules and standards which are enforced by the common consent of civilized peoples. They are evidenced by the decisions of courts, by treaties between nations and by the writings of the wise and the learned. This is international law; and the real purpose of any world order must be to develop and give expression to this law and to enforce it fairly and justly among men and nations. In no other way is it possible to establish an enduring foundation for world peace.

We must never forget that peace is not a negative but a positive thing. Peace connotes, not mere absence of conflict, but the orderly functioning of life in accordance with the laws of life. I have peace within my body when all the members function in accordance with the laws of the body. We have peace within a city when all elements live in accordance with the laws of the city. And we shall have peace within the world only when the life of the world functions in accordance with the laws which reason prescribes for the functioning of world life. This is the great challenge to the lawyer today. Of the three learned professions, says Ruskin, it pertains to the minister to teach, to the physician to heal and to the lawyer to give peace and order to society. The lawyer has performed this function as the family has developed into the tribe and the tribe into the Nation. If civilization is to live, he must perform it as nations merge into the world community. His duty it is to develop legal institutions which will give form and content to the rules which arise out of international relationships and provide for their enforcement in such way as to preserve the peace and order of the international society which has come into being. The time is ripe for the effort. The world is growing weary of the strife and bickering in international affairs, with the ever-present threat of terrible calamity upon the breaking out of international strife.

While we were engaged in the great World War and were standing on the mountain peaks of heroic achievement, it was generally assumed that the ending of the war was to be followed, as a matter of course, by the building of an international organization for the establishment of a world order based on law. When the danger passed, however, and peace had come, many who should have led in the movement lost their enthusiasm for it; and among those who lack vision and understanding the feeling has arisen that international organization is not practical. I believe not only that it is practical but that it is the only practical approach to the problems which confront us. Such organization does not mean the building of a superstate as the world federalists advocate, but it does require three things, which, I submit, are eminently practical, viz.: (1) adequate judicial machinery for the settlement, on the basis of reason, of disputes of an international character; (2) adequate legislative machinery for bringing to bear the intelligence of mankind upon the solution of international problems; and (3) adequate organization of force for the preservation of peace and the enforcement of law.

MACHINERY FOR SETTLEMENT OF INTERNATIONAL DISPUTES

There is no reason why disputes of states should not be subjected to judicial settlement, as is required by the Constitution of the United States in the case of disputes between the several States of our Union. I remember that some years ago there was a dispute between my State and the State of Tennessee over a boundary line, just the sort of dispute that has so often led to war; but did we call out the militia and declare war on Tennessee? We did not: We brought suit against her in the Supreme Court of the United States and the Court had a commission run and established the boundary. Back in the seventies, North Carolina repudiated some bonds that she had issued. Some of them came into possession of the State of South Dakota and

she demanded that we pay them. We refused to do so on the ground that the bonds were fraudulent. South Dakota did not declare war on us. She sued us in the Supreme Court; and the Court gave judgment against us; we paid the judgment, and now we have forgotten all about the matter. There is no reason in God's world, why the controversies plaguing the Middle East should not be settled on the basis of reason by some sort of international tribunal.

The permanent Court of International Justice set up pursuant to article 14 of the League of Nations functioned successfully in the judicial settlement of international controversies. It was manned by judges of outstanding character, including, among others, Mr. John Bassett Moore, Chief Justice Hughes, Secretary Kellogg and Prof. Manley O. Hudson, and made a real contribution to the law of the world. It has been succeeded by the International Court of Justice created under the charter of the United Nations; and the jurisdiction of that court has been accepted by practically all the civilized nations of the world including our own country. There is no reason why justiciable disputes between nations should not be settled by this court.

As President Rhyne pointed out in his Los Angeles speech, however, the International Court of Justice should hold sessions in different parts of the world, so that the people can see it in action and become familiar with its jurisdiction. And in this connection I would make another suggestion. I believe it would be well to create a system of inferior international courts with appeal to the International Court of Justice, to hear cases arising between citizens of different countries involving large amounts or delicate international questions. One of the fertile sources of international conflict is alleged injustice to nationals, as where contracts are not properly enforced or property is confiscated by unjust decisions. It seems to me that such a system of international courts would command the confidence and respect of those who trade, travel, or invest their money in foreign countries, and would thus do much to extend commerce and unify commercial and business law, as well as avoid some of the most fruitful sources of international conflict.

The jurisdiction of these courts would correspond in a general way to the diversity jurisdiction exercised by our Federal courts where the parties litigant are citizens of different states. It finds analogy also in the jurisdiction formerly exercised by extraterritorial courts such as the United States Court for China or the Mixed Court of Egypt. Such courts were recommended in a report of a committee of the American Bar Association composed of some of the ablest lawyers of the country, among others Mr. John W. Davis, former Senator George Wharton Pepper, and former Attorney General William D. Mitchell.

The latest example of a provision for peaceful settlement of international disputes under law is in the treaty creating the European Economic Community, where a seven-member court is created to decide disputes between members of that community.

The Charter of the Organization of American States provides that "every American State has the duty to respect the rights enjoyed by every other state in accordance with international law." But there is no court such as the new European Court to decide disputes. There is an Inter-American Council of Jurists which now serves as an advisory body and could easily be transformed into a court. As Mr. Rhyne has pointed out, "Here is a chance for the Americas to show leadership in the search for machinery to maintain peace by creating such a regional court as a part of the Organization of American States. Such a step could well be a historic breakthrough of momentous proportions because of the example it would offer to the world."

Provision should be made, also, for the setting up of criminal courts for trying war crimes and other criminal offenses against international law. In the past, persons accused of such crimes have been tried, ex necessitate, in national courts; but it is highly desirable that an international court be created for trying crimes of this character, or at least that provision be made for the setting up of such a court if occasion for the exercise of its jurisdiction should arise. Through lack of such a court, those charged with having committed the most heinous war crimes during the First World War were allowed to escape punishment and the world was deprived of the salutary influence that their trial would have had upon world opinion. Crimes committed in the Second World War were brought to trial and punished before the International Military Tribunal and military courts established by the several victorious nations; but much bitter controversy would have been avoided and the results would have been more readily acceptable, certainly by the conquered nations, and possibly by the world at large, if the courts which conducted the trials had been set up by an existing international institution such as the International Court of Justice.

Adequate machinery for the judicial settlement of justiciable disputes between nations and their nationals, with arbitration of disputes that are not of a justiciable character, and with machinery for the trial of criminals who commit offenses against the law of nations will not only help preserve the world's peace but will also lead to the healthy growth and expansion of international law. Every lawyer knows that the most important developments of the law have come, not from action by a legislature, but from court decisions—from the application of reason to the settlement of actual controversies.

LEGISLATIVE MACHINERY

While adequate machinery for the settlement of disputes is one of the first essentials in world organization based on law, it is not the only essential. There must also be adequate legislative machinery for bringing to bear the intelligence of mankind upon the settlement of international problems. There have been many of these growing out of the last world war and the postwar developments, and they will increase in number rather than diminish as time goes on and the life of the world grows more interrelated and complex—problems affecting international trade, travel, and communication, problems arising out of the use of the air and the seas for the purposes of commerce, problems arising out of the exchange of goods and commodities, problems of international finance and credit, international labor problems, etc. The settlement of these cannot be left to the individual action of nations nor allowed to await the judicial action of courts or councils or arbitrators. Rules for their solution must in some way be laid down in advance by the legislative process; and this means that an assembly must be provided in which representatives of the constituent nations may be heard and may take action or make recommendations with respect to the problems that confront them.

The Assembly of the United Nations provides just the sort of legislative assembly that the world must have; and it is no objection that it has not the power to enact laws by majority vote as does Congress or a State legislature. In the assembly and in the economic and social council the world's problems are debated and explored in the view of all mankind, and world public opinion is formed with regard to them. When the adoption of new and binding rules is necessary, this can be accomplished by the negotiation of multilateral treaties based on the conclusions which have been reached in the assembly with regard thereto.

Of tremendous importance is the functioning of commissions set up to make studies and recommendations as to matters which are important to the development of world life—commissions such as the International Law Commission, the International Labor Organization, UNESCO and others, which can and do make recommendations with respect to a myriad of matters many of which are entirely within the sphere of national control. Studies and recommendations with respect to education, labor conditions, currency stabilization and exchange, agricultural development, production and development of food and raw materials, public health and control of disease, regulation of the traffic in narcotics, etc.—recommendations of this sort are being made under the authority of the United Nations and are of the greatest value to the progress of mankind. While the United Nations does not attempt to exercise legislative power on the reports of these commissions, the reports serve as a basis of international agreements or legislation by the member countries. In this way, law grows by the legislative as well as by the judicial process for the preservation of peace and the betterment of living conditions throughout the world community.

ORGANIZATION OF FORCE

Our American Union furnishes fine illustration of cooperation for the purposes of collective security. No one of our States would be able to protect itself effectively against foreign aggression but collectively they possess a power that is today greater than that of any other nation in the world. This power is used to preserve the peace and enforce the law throughout the Union as well as to protect against dangers from without. Some such pooling of force for purposes of collective security and to enforce the rules of international law and the decrees of international tribunals is essential to the success of any international organization. Order rests upon reason and force. Force without reason is tyranny but reason without force to make it effective is anarchy. Most people will obey the rules of law willingly, but, unless others are forced to obey, the rules fall into disrepute. We do not expect peace in domestic affairs without force to preserve it; and it is idle to think that we can have peace in international relationships on any other basis. We did not leave Capone or Dillinger or Touhy to be dealt with by their victims, nor did we content ourselves with preaching sermons to them. We brought to bear the force of organized society and put an end to their criminal conduct. When Germany and Italy and Japan started out on a course of international brigandage, however, there was no adequate organization of the world's force to stop them. If the League of Nations had had such force available, Japan would never have dared invade Manchuria, Hitler would never have marched into the Rhineland, Mussolini would not have dreamed of seizing Ethiopia, and the great World War might never have come. And if the force had been available, there probably would have been no need to use it; for the mere presence of available force, without more, generally serves as a sufficient restraint upon those who would otherwise violate the law.

The great superiority of the United Nations over the old League of Nations is that in the Security Council we have a more effective pooling of the world's force for the preservation of world law and order. In Korea, in Suez, and in many other situations its value has been amply demonstrated. We have reached the point, however, where there must be an even greater pooling of force for the purposes of collective security. Suez has demonstrated the importance of providing

the United Nations with a police force and how such a force can be maintained. NATO has demonstrated the importance to the preservation of liberty and law of defense alliances for the purposes of collective security. The organization of American States is another illustration of the pooling of force for collective security in the international field. It is not too much to hope that along these lines we will eventually be able to secure a pooling of the world's force for the preservation of the peace and the enforcement of law in the world community.

The establishment of a world order based on law is an undertaking fraught with great difficulties, as every great undertaking always is, but these must be approached realistically and with courage; and we are approaching them in that way. The veto power has prevented the use of world force as it might have been used for the maintenance of peace; but within the framework of the United Nations we are building defensive alliances like the North Atlantic Pact for the preservation of freedom under law. If that pact had been in existence at the time of the seizure of Czechoslovakia, that outrage, in all probability, would not have occurred. We have been faced with the intransigence of Russia; but the presence of Soviet representatives in the United Nations has enabled Russia to get the full impact of the powerful public opinion of the world, and the indications are that this is beginning to have its effect and Russia is evidencing at least an apparent willingness to cooperate with other nations for the establishment of peace. If Russia is willing to cooperate, world organization for peace will be a thing of the immediate future. If she is unwilling to go along with us, she will eventually get out or be put out of the United Nations; and thus freed from her opposition, we should proceed to strengthen the organization among the nations that remain, making it a defensive alliance of the free nations as well as an instrumentality for preserving law and order among men.

Order in human affairs can be achieved only by organization and such organization must be commensurate with the life for which peace and order is desired. Organization which was sufficient for the tribe or the State is not sufficient for the larger world community. That community must be organized on the basis of world law and it is being so organized through the structure of the United Nations. We should rally to the United Nations, therefore, with confident hope and firm purpose that it shall succeed. For myself I feel that it is succeeding. It has not brought the millenium, of course, but I shudder to think what might have happened to the civilization of the world if it had not been in existence. It has, at least given us over the years since the ending of the war a world forum in which the desperate problems threatening the peace and safety of mankind have been brought out into the light where we could see them and take measures for their solution. It has set up an international court for the juridical settlement of international disputes, which has had its compulsory jurisdiction accepted by the most powerful nations now existing. It has effected a certain pooling of the world's force which has preserved a measure of peace in Israel and Indonesia, has brought the free nations of the world to the defense of the liberties of Korea, and has prevented the outbreak of war over Suez.

We are told that the League of Nations failed and that the United Nations must go the way of the League. I do not accept either premise. The League was a good beginning and it accomplished a very great deal. It brought 63 of the 73 nations of the world together around a common conference table; it found solution for many troublesome international problems; it brought into being the World Court; it furnished the world the best example that it had had up to that time of how to govern conquered territory; it unquestionably averted a number of wars; and who can say what it might or might not have accomplished if American statesmen like Root and Baker and Hughes had sat in its councils and this great, rich and powerful Nation had given it unstinted support in the stormy years following the First World War?

Rome was not built in a day; our own Federal Union required many years in coming to maturity; and I have an abiding faith that, given proper support, the United Nations will grow in power and influence with the passage of time and will eventually give us a stable world order based on law and embodying the fundamental principles of human freedom. The forces of science and commerce have brought the world to the position where its life must be given unity. It is unthinkable that the strife and conflict which have attended recent years should continue. If unity is not achieved on the basis of reason and law, it will eventually be achieved through force; and the only hope of defeating those who would unify the world on the basis of force is for those who believe in the reign of law to rise above the narrow limitations of nationalism and support an intelligent organization of world life based upon law and righteousness.

This, if I may repeat, is the challenge that comes to the lawyers of today. May we go forward together, not merely today and tomorrow, but in all the years that lie ahead, leading the Free World toward the attainment, not merely of world order, but of world order based on law and on those eternal principles of human liberty which are the chief glory of the Western World.

PSYCHOLOGICAL IMPACT OF SOVIET GOVERNMENT ANNOUNCEMENT SUSPENDING TESTING OF ATOMIC AND HYDROGEN BOMBS

Mr. AIKEN. Mr. President, I have been rather shocked that there seem to be those who condemn President Eisenhower and Secretary of State Dulles for not greeting with acclaim the Soviet announcement of suspension of atomic and hydrogen bomb tests, and joyously accepting such statement as gospel, and evidence of good will and a genuine desire for peace.

The announcement by the Soviet Government that it is putting a stop to its testing of atomic and hydrogen bombs is being hailed or lamented—according to the point of view—as a great propaganda stroke. No one will question that this latest Soviet stratagem will leave its phychological imprint in certain areas of the world.

Yet it is significant that early reaction is in terms of a propaganda scoop. There is little or nothing in the prevailing flood of public statements and press comment to suggest that the Soviets have scored a triumph for the cause of world peace.

I, for one, am not yet ready to rejoice at this Soviet promise by assuming its fulfillment. At the same time, we should take a look at this psychological or propaganda maneuver and analyze it realistically. Ordinarily, we appear outfoxed if our opponent comes up with an idea or initiates a course of action when, but for our own ineptitude, indecision, or incapacity, we should have beaten him to the advantage.

Ordinary rules play little part in this particular battle of wits. When could we with complete confidence in our own safety and that of other friendly nations, have abandoned any of our major means of defense? What would we have invited for the Free World if, with a noble and idealistic utterance, we had tossed our defense potential into the scrapheap of blind faith in an opposing force of proved ruthlessness and lack of regard for commitments?

On the other hand, our own pattern of conduct, confirmed by history since the birth of our great Nation, gives the Soviet all the confidence it needs to make gestures of this kind. The Soviets know they can renounce every weapon they have, with no fear that we shall take that as a signal to pounce upon and destroy them with our own military might.

They are like a lawless element in a community striving to maintain the public peace and good order. The forces of law and order must be kept strong and vigilant. We can never afford to abandon our watchfulness nor weaken our strength and authority. Nor would the law-abiding citizenry of the world approve it for a moment. Yet, lawless individuals or lawless nations can suspend their depredations whenever they choose, and receive the acclaim of respectable people for doing so. They know this is a safe and impressive move on their part. They can always resume their depredations whenever it suits their fancy or fortunes.

Why call this a propaganda victory for the offenders, thus inferring that the law-enforcement officers missed their great opportunity for praise or prominence by not being the first to throw down their defenses?

And yet, here we are—many of us—doing that very thing in our reaction to the all-too-clever machinations of the Soviet schemers. We deplore, almost with an undertone of envy, the advantage which we seem to insist they have scored.

If this psychological race is ever run between powers who observe the rules with equal integrity and respect, then the results will have significance. So long as it is a contest between truth and perfidy, we should not be first surprised and then hasten to acknowledge the apparent victory of the latter, overlooking the means by which it was accomplished.

We, like the community policemen, must be constant in our vigilance, and must not be beguiled by clever recourse to a strategy which only the lawless can afford to employ.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1562. An act for the relief of Winifred C. Lydick;

S. 1877. An act for the relief of Louis G. Whitcomb; and

S. 2132. An act for the relief of Leonard C. Fink.

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 House to the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

CALL OF THE ROLL

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

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

INCREASING UNEMPLOYMENT, DECLINE IN STEEL AND AUTOMOBILE PRODUCTION, DECREASE IN FREIGHT CAR LOADINGS AND BUSINESS ACTIVITY

Mr. HUMPHREY. Mr. President, on Friday of last week the Department of Labor reported the results of its latest survey on manpower conditions in the 149 major employment areas of the country. This survey showed that in the 2-month period from January to March unemployment increased in four-fifths of these areas. It further showed that the number of surplus areas—with unemployment exceeding 6 percent of the labor force—increased by 25. Among the 25 areas which moved into the labor-surplus category are Minneapolis-St. Paul, Minn.; Duluth-Superior, Minn.-Wis.; Indianapolis, Ind.; Portland, Maine; Baltimore, Md.; Toledo, Ohio; Flint, Mich.; and Fort Worth, Tex.

This Labor Department survey shows that as of March, 70 of the 149 areas are now classified as being areas of substantial labor surplus. This compares with 45 labor-surplus areas only 2 months ago and 19 labor-surplus areas a year ago. Five more areas moved into the group F category denoting unemployment of 12 percent or more. These areas are Detroit, Mich.; Altoona, Pa.; Scranton, Pa.; Wilkes-Barre-Hazleton, Pa.; and Providence, R. I.

I ask unanimous consent, Mr. President, that the press release from the Department of Labor reporting the unemployment increases be printed at this point in the RECORD.

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

UNEMPLOYMENT INCREASES IN FOUR-FIFTHS OF THE MAJOR AREAS

The latest surveys of manpower conditions in the 149 major employment areas surveyed and classified bimonthly according to adequacy of labor supply showed unemployment increases in four-fifths of the areas in the early months of 1958, although the rate of increase slowed down after mid-January, the United States Department of Labor reported today.

Employment and unemployment trends in these areas are checked regularly by the Department's Bureau of Employment Security and its affiliated State employment security agencies.

The recent unemployment increases resulted in changes in the classifications of 56 of the 149 major areas in March. All of the changes were to categories indicating higher unemployment.

The Department said that 25 of the changes were to classifications which reflect a relatively substantial surplus of labor (unemployment exceeding 6 percent of the labor force). Among the areas changing to labor surplus groupings in March were Baltimore, Minneapolis-St. Paul, Indianapolis, and Buffalo.

A number of changes also were made in the classifications of areas already in substantial labor surplus categories. 13 D areas were moved to E, reflecting unemployment between 9 and 12 percent, and 5 areas, including Detroit, Mich., and Providence, R. I., were moved to group F, denoting unemployment of 12 percent or more.

Thirteen areas were transferred from the B, low unemployment, category to the C, moderate labor surplus category, which includes areas with unemployment ranging from 3 to 5.9 percent.

The March list includes 79 areas in the C category and 70 in the substantial labor surplus categories; 45 of the substantial labor surplus areas were in D, 18 in E, and 7 in F. The January classifications included 13 B areas, 91 C areas, and 36 in D, 7 in E, and 2 in F. In addition to the major areas, the March list also included 121 smaller areas with relatively substantial labor surpluses.

About two-thirds of the 70 major areas of substantial labor surplus have been added to the surplus category since November 1957, the Department said. Most of the new labor surplus areas are hard goods manufacturing centers. These 70 areas account for close to half of the unemployment, but only about 37 percent of the total labor force, in the 149 surveyed areas.

The Department reported that employer hiring plans, as given to local public employment service personnel during the surveys, gave some indication that spring hiring in seasonal industries may increase jobs in some areas and tend to stabilize employment levels in others. In the aggregate, the hiring plans employers reported to local public employment offices suggest the possibility of a slight employment pickup between mid-March and mid-May. Anticipated increases are considerably smaller than those of last year and are centered in seasonal nonmanufacturing activities. Seasonal increases may also bolster factory employment in some areas, but durable goods employers in most centers look for few significant changes over the next 2 months. Some additional losses are expected in a number of important auto and aircraft centers.

The Department said that if employers' hiring plans materialize, gains in the construction industry should be an important factor in increased employment, as warmer weather makes work possible on many building projects. Many areas anticipate moderate advances in trade, due to the influence of Easter shopping and other seasonal developments, and in service industries, as outdoor recreational facilities open.

The Department added that the surveys showed employers in many areas, some with relatively substantial unemployment, continued to report some difficulty in getting all the specialized personnel they need. This was especially true for engineers, where some pickup in demand has occurred in recent months, partly as a result of the engineering needs of aircraft and missile industries and of highway construction. It reported that local public employment offices were recruiting on a nationwide basis for 2,936 engineers in March, a total of 1,100 more than in December.

In its summary of area employment developments during the early months of the year, the Department said the heaviest employment losses were reported in the country's hard goods centers, with the downtrend led by metals, machinery, and transportation equipment. Recent layoffs in construction resulting from adverse weather, and continued seasonal curtailments in food processing and other nondurable goods industries, also added to area jobless totals.

The Department said the rise in unemployment since mid-January was not as sharp as in previous months. The increase in insured unemployment for the 149 major areas surveyed averaged 11 percent between mid-January and mid-February as compared with 44 percent from mid-December to mid-January. Ordinarily there is little change between January and February.

A complete list of the changes in major area classifications follows:

B TO C

Denver, Colo.; Hartford, Conn.; Washington, D. C.; Jacksonville, Fla.; Aurora, Ill.; Cedar Rapids, Iowa; Des Moines, Iowa; Baton Rouge, La.; Akron, Ohio; Oklahoma City, Okla.; Tulsa, Okla.; Dallas, Tex.; and Richmond, Va.

C TO D

New Britain, Conn.; Joliet, Ill.; Peoria, Ill.; Fort Wayne, Ind.; Indianapolis, Ind.; Portland, Maine; Baltimore, Md.; Brockton, Mass.; Springfield-Holyoke, Mass.; Worcester, Mass.; Lansing, Mich.; Saginaw, Mich.; Duluth-Superior, Minn.-Wis.; Minneapolis-St. Paul, Minn.; Perth Amboy, N. J.; Syracuse, N. Y.; Toledo, Ohio; Reading, Pa.; York, Pa.; Chattanooga, Tenn.; Beaumont-Port Arthur, Tex.; Corpus Christi, Tex.; and Fort Worth, Tex.

C TO E

Flint, Mich.; and Buffalo, N. Y.

D TO E

Evansville, Ind.; South Bend, Ind.; Fall River, Mass.; Lowell, Mass.; Grand Rapids, Mich.; Utica-Rome, N. Y.; Lorain-Elyria, Ohio; Youngstown, Ohio; Johnstown, Pa.; Knoxville, Tenn.; Charleston, W. Va.; Huntington-Ashland, W. Va.-Ky.; and Wheeling-Steubenville, W. Va.-Ohio.

D TO F

Detroit, Mich.

E TO F

Altoona, Pa.; Scranton, Pa.; Wilkes-Barre-Hazleton, Pa.; and Providence, R. I.

In addition to these revisions in major area classifications, 32 smaller centers in various sections of the country were added to the list of smaller areas of substantial labor surplus in March. Seven of these areas are located in Connecticut, 6 in Washington, 3 in Oregon, and 2 each in California, Massachusetts, Michigan, and New York. Maine, Missouri, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, and Alaska also reported new smaller areas with heavy unemployment. Another 17 smaller areas (located in Alabama, Connecticut, Massachusetts, Michigan, Mississippi, Missouri, Ohio, West Virginia, and Wisconsin) were classified as labor surplus in February. These changes brought the number of localities officially classified as smaller areas of substantial labor surplus to 121, as compared with 72 in January and 59 in March a year ago.

Copies of the March issue of Area Labor Market Trends are available in the Labor Department pressroom. This publication summarizes the results of the surveys, lists the group D, E, and F areas, and includes the March classification summary.

Mr. HUMPHREY. Mr. President, I also noted that last week steel production fell to a new low, only 50.5 percent of capacity, a drop of 2 percent from the week before and a drop of 42 percent from a year ago.

I noticed in this morning's newspapers, Mr. President, that steel output has sunk below 50 percent of capacity. I believe this is the first time in the past 12 years that steel production has been at such a low point.

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

Mr. HUMPHREY. I yield.

Mr. GORE. At what level are the prices for steel products?

Mr. HUMPHREY. I shall have a comment to make about that later. The prices for steel are at an alltime high.

Mr. GORE. Then where is the effect of the law of supply and demand, upon which some persons wish to rely entirely?

Mr. HUMPHREY. That is supposed to be in the Department of Agriculture. It affects farm commodites, I will say to the Senator. It does not affect any other products. The law of supply and demand is saved, in this administration especially, for the unfortunate circumstances of the American farmer.

Automobile production is down for the year so far by 500,000 from the same period of last year. The automobile sales to date are at an estimated annual rate of 3½ million as compared to the sales last year of almost 6 million. Meanwhile, dealers' inventories in March continued to rise.

Freight car loadings continue in their present slump, off by more than 22 percent from a year ago.

The New York Times latest Index of Business Activity showed that for the week ended March 22, there was a further drop to 187.1 from 187.9 in the preceding week, the figure for the week ended March 23 of last year was 210.0.

The Federal Reserve Board's most recent report shows that department store sales for the week ended March 22, are down 4 percent from a year ago. I noted that in my own State department store sales increased in St. Paul by 3 percent, but in Minneapolis there was a drop of 6 percent, and in the Duluth-Superior area there was a drop of 8 percent as compared to the same period of a year ago. It should be kept in mind in studying these figures that the cost of living has risen by more than 3 percent from a year ago, which means that for department store sales in terms of actual goods sold to keep pace with the past year there should be an actual increase dollarwise in sales. Moreover, Easter this year is 2 weeks earlier than it was in 1957, which would usually be reflected in increased rather than decreased sales.

I ask unanimous consent, Mr. President, that there be printed at this point in the RECORD three tables from the New York Times of March 30 entitled "Economic Indicators," "Department Store Sales Trend," and "Business Index Registers a Drop."

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

Economic indicators

WEEK ENDED MAR. 29, 1958

	Last week	Prior week	1957
Commodity index	85.2	85.6	88.6
Money in circulation	$30,524,000,000	$30,592,000,000	$30,570,000,000
Commercial, industrial, agricultural loans [1]	$31,041,000,000	$30,372,000,000	$31,579,000,000
Steel operating rate (percent)	[2] 50.5	52.5	[3] 92.4
Steel production (tons)	1,363,000	1,417,000	2,364,000
Motor vehicle production	110,868	96,357	152,712
Daily oil production (barrels)	6,262,885	6,256,985	7,819,115
Freight car loadings	533,019	539,057	685,833
Electric power output, kilowatt-hour	11,756,000,000	11,860,000,000	11,723,000,000
Business failures	357	358	336

MONTHLY COMPARISONS

	February [4]	Prior month	1957
Consumer Price Index	122.5	122.3	118.7
Industrial production	130	133	146
Employed	61,988,000	62,238,000	63,190,000
Unemployed	5,173,000	4,494,000	3,121,000
Personal income	$341,800,000,000	$343,600,000,000	$336,600,000,000
	January [4]		
Imports	$1,108,000,000	$1,216,000,000	$1,058,600,000
Exports	$1,510,900,000	$1,638,600,000	$1,679,900,000
Construction contracts	$2,066,059,000	$1,982,342,000	$2,299,554,000
Manufacturers' inventories	$52,900,000,000	$53,500,000,000	$52,400,000,000
Money supply	$132,100,000,000	$132,900,000,000	$134,100,000,000

[1] Statistics for commercial-industrial-agricultural loans, steel, oil, electric power and business failures are for the preceding week and latest available.
[2] Estimated.
[3] Not comparable because of lower capacity.
[4] Figures shown are subject to revision by source.

NOTE.—Commodity index and Consumer Price Index, based on 1947-49=100, are compiled by the Bureau of Labor Statistics. Industrial production is Federal Reserve Board's adjusted index of 1947-49=100. Manufacturers' inventories and personal income, at annual rate, are reported by the Department of Commerce. Construction contracts are reported by the F. W. Dodge Corp. Imports and exports are compiled by the Foreign Trade Division of the Department of Commerce. Money supply is total currency outside banks and demand deposits adjusted as reported by Federal Reserve Board. Business failures compiled by Dun & Bradstreet, Inc.

DEPARTMENT STORE SALES TREND

The Federal Reserve Board reports the following percentage comparisons of department store sales by districts with last year's:

District	1 week ended—		4 weeks ending Mar. 22	Jan. 1 to Mar. 22
	Mar. 22	Mar. 15		
Boston	−1	−8	−1	−3
New York	−6	+9	+6	+1
Philadelphia	−19	[1] +1	+2	−4
Cleveland	+2	−9	−1	−4
Richmond	−19	−2	−2	−4
Atlanta	−1	[1] +4	+5	−3
Chicago	−6	−1	−3	−5
St. Louis	−6	−6	−2	−5
Minneapolis	−3	+17	+6	−1
Kansas City	0	−2	−2	−2
Dallas	−4	−3	−3	−4
San Francisco	+5	−5	0	−2
United States total	−4	−1	+1	−2

[1] Revised.

The weekly index, without seasonal adjustment, follows (1947–49 equals 100):

1958		1957		1956	
Feb. 22	82	Feb. 23	100	Feb. 25	97
Mar. 1	100	Mar. 2	99	Mar. 3	104
Mar. 8	105	Mar. 9	98	Mar. 10	109
Mar. 15	106	Mar. 16	107	Mar. 17	105
Mar. 22	109	Mar. 23	113	Mar. 24	112

Percentage changes in department store sales from last year's volume by cities for the weeks indicated:

	Weeks ended—	
	Mar. 22	Mar. 15
Akron	−5	−11
Atlanta	(1)	+7
Augusta, Ga.	−8	+13
Baltimore	−26	[2] −3
Birmingham	+2	+5
Boston (C)	+4	−5
Buffalo (C)	−3	[2] −5
Chicago	−6	+4
Cincinnati	+7	−15
Cleveland (C)	+6	−9
Columbus, Ohio	−5	−1
Dallas	+2	−4
Denver	+6	−5
Detroit	−8	−12
Duluth-Superior (C)	−8	+12
Erie	−8	−13
Fort Worth	−6	−12
Houston	−19	−5
Indianapolis	−7	−4
Jacksonville	+3	−4
Kansas City (C)	0	−1
Little Rock	−1	−9
Los Angeles area	+4	−10
Los Angeles downtown	−4	−11
Los Angeles west side	+3	−9
Louisville	+1	−17
Memphis	−2	−6
Miami	+5	+11
Milwaukee	−3	+4
Minneapolis	−6	+17
Newark	−21	+6
New Orleans	−14	−8
New York (C)	−7	+7
Oakland, Calif.	−11	−8
Oklahoma City	−4	−12
Philadelphia (C)	−18	[2] +5
Pittsburgh	+4	0
Portland, Oreg.	+15	−7
Rochester	−7	0
Salt Lake City	+2	+6
San Antonio	+5	+18
San Diego	−4	−4
San Francisco	+9	+4
Seattle	0	+2
Spokane	−3	+7
Springfield, Mass. (C)	−2	−23
St. Joseph	−19	−6
St. Louis	−7	−1
St. Paul	+3	+17
Syracuse	−5	−16
Tulsa	−2	0
Washington	−18	−1
Wichita	−15	−5

[1] Unreported.
[2] Revised.
(C) Cities: Those not marked (C) are metropolitan districts.

BUSINESS INDEX REGISTERS A DROP

The New York Times Index of Business Activity in the week ended March 22 fell to 187.1 from 187.9 in the preceding week. The figure for the week ended March 23, 1957, was 210.

The table below gives the combined index with its components, each of which is adjusted for long-term trends:

	Weeks ended		
	Mar. 22, 1958	Mar. 15, 1958	Mar. 23, 1957
Combined index	187.1	187.9	210.0
Miscellaneous carloadings	96.3	99.5	125.1
Other carloadings	67.2	64.0	85.6
Steel production	104.1	107.4	177.7
Electric power production	283.2	284.4	294.9
Paperboard production	270.0	268.7	284.9
Lumber production	108.9	107.5	116.8

Mr. HUMPHREY. Mr. President, it does not give me any pleasure to report the rising unemployment, the drop in steel and automobile production, the decline in freight car loadings, the drop in business activity, and the lagging department store sales. But I do not believe we can afford to close our eyes to such economic indicators, for in order to deal intelligently with the recession we must know exactly what the situation is. We will not end the present recession by ignoring the facts and by chins-up statements to the effect that prosperity is just around the corner. There are many steps which can be taken to improve the economy. In my opinion, we should give prompt consideration to a tax cut, particularly for low- and middle-income families, so as to boost the sagging purchasing power. Such a step would have an immediate impact reflected in increased purchasing.

With the rising unemployment and the inadequacy of the present unemployment compensation benefits prompt consideration should be given to the Kennedy-McCarthy proposal to increase and extend unemployment compensation benefits.

I am proud to be a cosponor of this important and meritorious bill, as is the present Presiding Officer (Mr. DOUGLAS in the chair). I also believe it is time that some of the major industries of this country begin to cut their prices as suggested a moment ago by the distinguished Senator from Tennessee. It is a very strange situation, indeed, that the drop in sales in such industries as steel and automobiles has not been reflected in lower prices. It would seem to defy all the laws of economics that have been taught.

Mr. President, it is my opinion, in view of the seriousness of the recession, that it is better that we do more than is necessary than that we do too little and too late. The administration's wait-and-see position is not the answer. This is the same position that was taken by the Republicans almost 30 years ago, and we know only too well the tragic results. In this time of great crises we cannot permit this recession to continue. It is time for action and not mere words.

Mr. President, one of the cost curious aspects of the present recession is that prices continue to go up and up. Even in industries which have made the sharpest cutbacks in production as a result of declining demands—such as the steel and auto industries—there have been no cuts in their prices.

This paradoxical situation deserves our careful consideration. The Senate Antitrust and Monopoly Legislation Subcommittee deserves praise for the fine work it has been doing in exploring the problem of how prices in key industries are determined. It is to be commended, and I hope its work in this field will not only continue but will be expanded.

The noted economic writer, J. A. Livingston, has written a very pertinent article on the subject of prices and the recession in which he discusses in particular pricing in the automobile industry. Mr. Livingston is concerned, as I am, with the auto industry's reluctance to cut its prices on cars. He states:

A lot of people, including me, would be more impressed with the auto industry's case if the industry showed some of the rugged, do-it-yourself gumption it boasts about in boom years. The Big Three companies have been singularly lacking in initiative in fighting the recession. They have cut employment, cut hours worked, but have stood pat on their recommended list prices to dealers and blamed all the year-to-year price increases on the rising wages they, themselves, as companies, have negotiated with the United Auto Workers.

Mr. Livingston goes on to say that the highly paid auto executives are "not paid for helplessness. They are not paid for overselling in 1955 and overproducing in 1958." He is of the opinion that a cut in car prices could not fail to stimulate car sales and employment. And he goes on to note that prices are supposed to go down in a recession period—not stay completely rigid.

Mr. Livingston concludes his column by saying:

What we need in this country is some major industry to start cutting prices instead of using every excuse to raise them.

I ask unanimous consent, Mr. President, that the thought-provoking article by J. A. Livingston, titled "Car Firms Could Fight Slump With Price Cut," be printed at this point in the RECORD.

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

CAR FIRMS COULD FIGHT SLUMP WITH PRICE CUT

(By J. A. Livingston)

The automobile industry—from manufacturers through to dealers—would love nothing more dearly than to have Congress eliminate the manufacturers' excise tax. That would lop anywhere from $150 to $300 off the price of a car. It would cut car costs to consumers. It would, presumably, give 1958 sales a much-needed lift.

But the proposal has Government officials, particularly Treasury officials, on edge. The mere talk of a tax cut makes the potential auto buyer hesitant. Should he hold off his purchase and perhaps save $150 to $300? Yet, waiting is just what President Eisenhower's advisers, anxious to check the recession, anxious to spur employment, don't want.

This poses a poser for the President, for Congress, and the Treasury. Should a declaration be made promising retroactivity in case the excise tax is eliminated? Then persons who bought cars in late March or April wouldn't be penalized. Then they'd be willing to buy now. Personally, I think such a declaration is in order. Enough talk about a tax cut has been generated to give some purchasers pause.

As publicity about the possibility widens, the greater will be the hesitation. This, of course, doesn't make the lobbyists of the Automobile Manufacturers' Association, auto companies, and auto dealers mad. They want the tax ended. And if they can bring pressure on the President, Congress, and the Treasury to say something about retroactivity, then they will have won a propaganda victory.

No matter how iffy a Government statement is, it might seen like a promise, a commitment. That's why Treasury advisers resist making any statement.

A lot of people, including me, would be more impressed with the auto industry's case if the industry showed some of the rugged do-it-yourself gumption it boasts about in boom years. The Big Three companies have been singularly lacking in initiative in fighting the recession. They've cut employment, cut hours worked, but have stood pat on their recommended list prices to dealers and blamed all the year-to-year price increases on the rising wages they, themselves, as companies, have negotiated with the United Auto Workers.

True, the companies have tried to spur sales by offering prizes and other incentives to dealers. This is a form of discount for extra effort. It permits dealers to cut their prices or increase their turn-in allowances on used cars. But it's not a company-advertised price cut.

Automobile executives are among the highest paid corporation officials in America. Vice presidents at Ford get as much as $200,000 a year; at General Motors, more than $500,000. These men are not paid for helplessness. They are not paid for overselling in 1955 and overproducing in 1958. Such high remuneration entitles the public and stockholders to a leveling out of peaks and valleys in production, sales, and employment, and ingenuity and daring in adversity.

The automobile industry can make an important contribution to recovery and prosperity by meeting the Treasury at least half way. Suppose GM, Ford, and Chrysler announced reduced wholesale costs to dealers and cut list prices by $150 to $300. If that were supplemented by reduction in the Federal excise, car prices would be down $300 or more. It couldn't help but stimulate sales and employment.

The companies will naturally argue that they can't afford a price cut. Costs are up. But when sales are down, when unit production is down, overhead costs continue to eat into bank accounts. Per unit costs of cars increase. Such per unit costs would be reduced if sales increased.

A price cut decision is a matter of business judgment. But it's also a matter of wise public policy. And it accords with free-enterprise tradition. Prices are supposed to come down in a recession, not stay completely rigid. The auto industry employs 700,000 to 800,000 factory workers in good times. It cannot shuck responsibility for disemployment in bad times, especially when such disemployment radiates through all industry.

The cost of living—the Department of Labor Statistics Consumer Price Index—has just edged up another notch. Rising prices during a recession are hard on those with short workweeks, hard on persons drawing unemployment benefits. What we need in this country is some major industry to start cutting prices instead of using every excuse to raise them.

Mr. HUMPHREY. Mr. President, this morning's newspapers report that steel

output this week is to be further reduced to 50.5 percent of capacity. Last week the industry's production was at 52.5 percent of capacity. If the forecast for this week is realized, it will be the lowest figure since the steel-strike period of July 1956.

Steel production is now running 42 percent below a year ago.

Dun & Bradstreet reports that business failures jumped during the past week to 357 from 336 in the preceding week. This compares with 318 failures a year ago and only 208 2 years ago. Business failures in February were the highest for that month since 1933, and it appears that the March total of business failures will be even higher.

These figures, Mr. President, on falling steel production and rising business failures, are but two more indications that the recession is growing ever more serious. Each and every day there are additional signs that the economy is worsening.

It is for this reason I feel that we must promptly consider a tax cut designed to restore sagging purchasing power.

Recently the executive council of the AFL–CIO issued a statement recommending an immediate tax cut of from $6 billion to $8 billion. I think this suggestion is both timely and appropriate. It deserves careful consideration.

I ask unanimous consent, Mr. President, that the AFL–CIO's tax-cut proposal as reported in this morning's New York Times be printed at this point in the RECORD.

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

AFL–CIO URGES CUT IN TAXES NOW—ASKS SLASH OF UP TO $8 BILLION, WITH BULK GOING TO THOSE IN UNDER $5,000 BRACKET

WASHINGTON, March 24.—An immediate tax cut of $6 billion to $8 billion was urged today by the American Federation of Labor and Congress of Industrial Organizations.

In a statement, the federation's executive council said that a cut of half this amount a few months ago "might well have been a sufficient stimulant to the economy."

Economic conditions show a continued worsening, the statement said, and a larger tax cut is now necessary.

Last week the Committee for Economic Development, a business research group, called for a $7,500,000,000 tax cut.

The federation called for action immediately, while the business group said the cut should be made only if the economy continued to drift lower in March and April.

The AFL–CIO urged that the bulk of the total tax cut should be concentrated among the taxpayers with less than $5,000 of taxable income.

The Committee for Economic Development called for a 20-percent cut for everyone—a recommendation that would give the greatest reduction to the highest income brackets.

WOULD REDUCE EXCISES

The federation also said that Federal taxes on "electrical appliances, automobiles, transportation, etc., should be drastically reduced."

Finally, it argued that "small businesses should receive a tax cut by at least reversing the corporation normal and surtax rate."

Such a move would mean that corporations would pay only 22 percent tax on their first $25,000 of income instead of 30 percent.

The business committee's recommendation was limited to a cut in the personal income tax.

The federation said that "trends since February indicate that unemployment is even higher today." February jobless totals reached 5,200,000.

The statement also took note of Government reports indicating that a decline in investment in plant and equipment and of consumer demand was expected for the rest of the year.

The statement said that "more than 30 percent of the productive capacity of this Nation lies idle."

SUPPORTS OTHER MEASURES

The recommendation for an immediate tax cut, the executive council said, "does not diminish the need for other programs designed not only to put America back to work but to meet the needs of a growing population and to insure the security of the Nation."

It listed improvements in unemployment compensation and social-security benefits, higher minimum wages, and more spending on hospitals, schools, houses and roads.

In another development today, the Department of Commerce reported that United States imports in January fell off only slightly from December and were roughly equal to those of January a year ago.

The report tended to confirm that the United States recession had not yet had any important effect on foreign countries, taken as a whole. In February, for example, British exports to the United States were highest in history.

WEST GERMAN OPTIMISTIC

This apparently was a factor behind the optimism voiced today by Ludwig Erhard, the West German Economics Minister. After seeing President Eisenhower, Herr Erhard said he thought the economic situation "should soon be smoothed out."

He added that the economy of Western Europe is not tied inseparably to that of the United States and that a United States recession need not bring about a similar or worse recession in Europe.

The countries hardest hit by the United States slump so far have been the underdeveloped countries producing raw materials. The prices of most of these materials—such as rubber, copper, tin, and coffee—have slumped sharply over the last year.

Governmental action on the economic front today limited to the beginning of Senate floor consideration of a bill to increase Federal spending on highways by $1,500,000 this year. Passage is expected later in the week.

WORKS STEPUP ASKED

Meanwhile, the American Municipal Association urged in a letter to President Eisenhower that existing programs under which Federal aid is granted to municipal projects be increased by about $800 million.

These include slum clearance, airport construction, hospitals, urban highways, and sewage-treatment plants.

The letter was signed by Mayor George Christopher, of San Francisco. He said the projects were ready to go.

Also today, Clyde T. Ellis, head of the National Rural Electrical Cooperative Association, said additional steps were needed to speed construction in the rural electrification program.

The President's instructions last week to the Secretary of Agriculture, Ezra Taft Benson, to spur the program could leave a misleading impressing, Mr. Ellis said.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Steel Output Rate Sinks Below 50 Percent," and an article entitled "Sales of Harvester Dip 13.6 Percent in Quarter."

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

STEEL OUTPUT RATE SINKS BELOW 50 PERCENT

NEW YORK, March 31.—More than half the Nation's steel operating capacity will stand idle this week for the first time in the current recession.

The American Iron and Steel Institute today estimated producers were scheduled to turn out 1,298,000 tons of steel this week. Barring strikes, that will be the lowest total since the week starting July 4, 1949.

The production figures out at 48.09 percent of the steel industry's current weekly capacity.

This compared with actual production last week of 1,366,000 tons, which represented 50.6 percent of present capacity.

A month ago the mills turned out 1,425,000 tons of steel and a year ago produced at the rate of 2,319,000 tons a week.

Meanwhile United States Steel Corp. yesterday launched a drive to promote products made of steel, in preference to those made of materials such as aluminum, plastic, glass, and wood.

Bennett S. Chapple, Jr., administrative vice president, commercial, told a news conference the Nation's largest steelmaker will offer labels to manufacturers of consumer products. They would identify items made of steel, regardless of who produced the steel.

United States Steel will spend "in excess of several million dollars" on advertising, following the theme "Steel lightens your work, brightens your leisure, and widens your world," said Chapple.

"This new merchandising program will herald all steel—not just United States Steel. To the extent that this program increases the total steel market, United States Steel will benefit through its share of increased sales."

SALES OF HARVESTER DIP 13.6 PERCENT IN QUARTER—PROFIT SLIPS 12 CENTS A SHARE TO 39 CENTS

Sales of International Harvester Co. in the quarter ended January 31 were 13.6 percent below a year earlier, and net earnings also declined, an interim report disclosed yesterday.

Volume in the quarter, the first of the company's fiscal year, was $218,730,000 compared with $253,135,000 in the corresponding months a year ago, said John L. McCaffrey, chairman, and Frank W. Jenks, president.

Net income was estimated at $6,810,000, equal to 39 cents a share. The figures compare with earnings of $8,571,000, or 51 cents a share, in the first quarter of fiscal 1957.

The executives said they "see no evidence as yet of a general upward trend in business for the immediate future."

Mr. HUMPHREY. Mr. President, every day brings growing concern over the course which this recession is taking. The economic indicators show that the economy is still going downhill, and even the experts can give us no assurance there will be an upturn in the near future.

I have been vitally concerned over the gravity, both domestic and foreign, of this recession. For this reason I have suggested that immediate consideration be given to a meaningful tax cut which would help increase purchasing power.

I was therefore pleased to read the editorial in the current issue of Business Week magazine entitled "The Case for Cutting Taxes Now." The editorial points out what I have stated so often in the past several weeks, namely, that we

have far more to lose by delaying a little too long than by acting a little too soon. It argues most persuasively for a prompt tax cut to stem the tide of this recession.

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

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

THE CASE FOR CUTTING TAXES NOW

The administration obviously is receiving an enormous amount of contradictory advice on the crucial question of whether or not to endorse a tax cut as a means of snapping the country out of its business recession. This is an infinitely complex subject. Men who are both wise and honest can form violently differing opinions on it. And so there is no need to look for either political skulduggery or sly self-interest to explain the confusion of tongues that is so evident in all discussions of the problem.

Nevertheless, a decision has to be made and made promptly—for to delay is in itself to make a decision. Any choice will involve both political and economic risks, but the fact that the choice inevitably must be chancy does not mean that it must be blind. In taxation, as in other areas of economics, there are a few fundamental principles that the administration can use as guides.

To be a potent antirecession measure, a tax cut must meet two qualifications:

It must take effect before the contraction of production and incomes begins to feed upon itself. Once the vicious circle of deflation is joined, the stimulating effects of the cut are lost in the shrinkage of incomes and purchasing power.

It must have a substantial impact on the economy as a whole. That is to say, it cannot be either an empty gesture or a vote-catching scheme designed to benefit a single group or economic class.

Measured against these standards, the arguments for postponing a tax cut lose force. The case for making a broad and substantial cut immediately—meaning within a matter of weeks—becomes practically conclusive.

We have now checked off 3 months of 1958 without seeing any signs to indicate that a real upturn is in the making. The critical month of March has passed without producing the turning point that President Eisenhower's advisers had hoped to see; instead, it brought new evidence that the recession was deepening and broadening.

In the light of these facts, it seems clear that we stand to lose far more by delaying a little too long than by acting a little too soon. This alone would be reason enough for the administration to decide in favor of a prompt tax cut. But there is another and perhaps even more important argument swinging the balance in the same direction, and that is the delicate state of relations between the administration and Congress.

It would be a fatal mistake for the administration to lose the initiative in planning and proposing a tax cut as an antirecession measure. That would mean that Congress would take over and write its own ticket. And to throw such an assignment to an opposition Congress in an election year would be bad politics, worse economics, and a serious strain on the patience of providence.

Up to this time, Congress has shown an admirable self-restraint in dealing with the tax question. The Democratic leadership, with genuine concern for the country's welfare, has fought down the temptation to play politics. But if Congress decides that the administration is stalling for time, then it will try to ram through its own antirecession plans. The result inevitably would be a bad bill; for Congress even in the best of times finds it hard to write a tax law based on economics rather than politics.

In short, if the administration is in any doubt about the timing of a tax cut, it should resolve that doubt in favor of cutting promptly.

WHAT SORT OF CUT?

There is room for debate as to just which taxes should be cut and how much. But here again it is possible to dispose of many of the arguments simply by applying general principles.

To be effective in checking the downward spiral, the tax cut must be something more than a quick handout to a few individuals. It must help to restore the incentives for investment and capital spending as well as to provide more spending money for consumers.

For this reason, the administration's program should provide income tax relief for all individual taxpayers, not just for the lower brackets. And it should apply to corporations as well as to individuals.

For the same reason, the cut should not have an automatic termination date attached to it. Tax relief will lose all its force as an incentive to long-run investment and industrial expansion if it is tagged from the first as a purely temporary measure. There will be time enough when we are once again prosperous to consider whether taxes can be kept permanently at the lower level.

The logic of the situation, then, calls for a quick cut, a substantial cut, and a cut that applies to all classes of taxpayers. Obviously, this will be just as disagreeable to the administration as it will be to the many taxpayers who have applauded its efforts to balance the Federal budget and check the long-run trend toward inflation. But in the final analysis there is no choice. The strength of the whole free world now depends on the health of the United States economy. The administration cannot risk the international consequences of a recession even if it were willing to take its chances with the domestic effects. In the end, it will have to take whatever steps are necessary to head off a spiral of deflation. And the sooner it starts taking those steps, the less drastic they will have to be.

Mr. HUMPHREY. Mr. President, that this recession is indeed becoming worse is clearly shown by current reports. Auto production for the second quarter of 1958 is scheduled to be cut even below the disappointing production output of the past 3 months. With dealers' stocks of unsold new cars totaling almost 900,000 and retail sales off by more than 30 percent from last year, the outlook is not encouraging.

It is reported that steel production this week will fall off further to the lowest level since July 1949, not counting strike and holiday periods. Production is scheduled to be at only 48 percent of capacity as compared to 50 percent the preceeding week and 52 percent 2 weeks before. This is a particularly serious blow to my own State of Minnesota because of our iron-ore industry. Unemployment on the iron-ore range is mounting daily.

And in the field of construction, so important to the economy, it is reported that construction contracts in February were 10 percent below those for the same month in 1957. A similar drop took place in January, too.

I ask unanimous consent, Mr. President, that there be printed in the RECORD at this point an article on construction contracts from the New York Times of April 1, 1958; an article on the automobile slump from the April 1, 1958, issue of the Journal of Commerce; and an article on declining steel output from the Washington Post of April 1, 1958.

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

[From the New York Times of April 1, 1958]

CONTRACTS OFF 10 PERCENT FOR CONSTRUCTION—PLANS FOR FUTURE BUILDING IN UNITED STATES DROPPED IN FEBRUARY IN MAJOR CATEGORIES

Contracts for future construction in the United States, usually considered a sensitive barometer of the economy, dipped 10 percent in February below the corresponding month in 1957. It was the second consecutive month in which a 10 percent decline was registered.

According to the F. W. Dodge Corp., construction news and marketing specialists, February contracts totaled $1,953,422,000. This brought the cumulative total for the first two months of the year to $4,013,416,000, or 10 percent below the like period of 1957.

The two widest fluctuations were in the heavy engineering category, with public-works contracts gaining 29 percent and utility contracts dropping 38 percent. The month's total for heavy engineering construction was $475,321,000, for an overall gain in the classification of 2 percent.

The dollar volume of contracts in the residential category was $727,282,000, off 17 percent from February 1957. A sharp decline was also noted in the number of 1- and 2-family housing units, but apartment units again registered an increase of 2 percent. The number of dwelling units of all types was 59,172, a drop of 14 percent compared with a year earlier.

Contracts in the nonresidential category for February totaled $750,819,000, a decrease of 8 percent. The decline was said to be largely the result of decreases in contracts for manufacturing and commercial buildings. Hospitals also showed a marked decrease, but contracts for educational and science buildings rose 2 percent.

The cumulative totals for the first two months of 1958 in the major construction categories showed nonresidential at $1,507,111,000, down 13 percent; residential at $1,501,212,000, down 11 percent; and heavy engineering at $1,005,093,000, down 3 percent.

[From the Journal of Commerce of April 1, 1958]

AUTO MAKERS SCHEDULE LOWER OUTPUT FOR SECOND QUARTER

DETROIT.—The auto makers are scheduling 1,130,000 passenger cars for production during the second quarter of 1958. They built approximately 1,244,000 in the January–March quarter. In the second quarter of 1957 assemblies numbered 1,580,835.

Last week the industry built 94,382 cars against 80,480 the preceding week and 130,233 in the like 1957 week.

MODEST UPTURN

Each of the big three producers—General Motors, Ford and Chrysler—shared in last week's modest upturn. GM built 45,028 cars against 44,123 the preceding week and 58,188 in the like 1957 week. Its output so far this year totals 685,972 cars against 831,810 in like 1957.

Ford assembled 29,880 cars last week against 18,964 the preceding week and 41,000 in the same 1957 week. So far this year Ford has made 334,195 cars against 544,828 in the same 1957 period.

Chrysler output last week was 15,250 cars against 13,214 the preceding week and 26,969 in the same 1957 week. To date this year Chrysler has made 156,649 cars against 370,044 in the same 1957 period.

American Motors built 2,960 Ramblers last week against 2,706 the preceding week and 2,355 in the like 1957 week. Only producer

running ahead of last year's volume it has built 40,538 cars so far this year. In like 1957 it made 24,702 cars.

Studebaker-Packard built 60 Packards and 1,240 Studebakers last week against 89 and 1,384 respectively, the preceding week and 284 and 1,437 in the like 1957 week. S-P's output so far in 1958 comes to 1,078 Packards and 8,274 Studebakers compared with 3,901 and 15,312 respectively in like 1957.

[From the Washington Post of April 1, 1958]

STEEL OUTPUT RATE SINKS BELOW 50 PERCENT

NEW YORK, March 31.—More than half the Nation's steel operating capacity will stand idle for the first time in the current recession.

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Meanwhile United States Steel Corp. yesterday launched a drive to promote products made of steel, in preference to those made of materials such as aluminum, plastic, glass and wood.

Bennett S. Chapple, Jr., administrative vice president, commercial, told a news conference the Nation's largest steelmaker will offer labels to manufacturers of consumer products. They would identify items made of steel, regardless of who produced the steel.

United States Steel will spend "in excess of several million dollars" on advertising, following the theme "Steel lightens your work, brightens your leisure, and widens your world," said Chapple.

"This new merchandising program will herald all steel—not just United States Steel. To the extent that this program increases the total steel market, United States Steel will benefit through its share of increased sales."

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

THE RECESSION AND RECOVERY

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement made by Bernard M. Baruch before the Senate Committee on Finance this morning.

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

STATEMENT OF BERNARD M. BARUCH BEFORE THE SENATE FINANCE COMMITTEE, APRIL 1, 1958

Mr. Chairman and gentlemen of the committee, it is an honor to be asked to testify before this distinguished committee of the Senate. Although you are studying the financial condition of the United States, you know that our problems extend far beyond any narrow definition of finance. Tax policy, debt management, monetary controls affect not only our solvency and economic health, but our security against aggression.

Despite the symptoms of distress in our economic system, there is no cause for panic if we use experience and common sense. But if we seek recovery through get-well-quick prescriptions, we will surely face a far more difficult situation.

The principal thing we have to fear is our own folly.

In our concern over the present recession we must not forget that it is only one aspect of the basic problem before us. The challenge we face is to organize and employ our resources effectively, first, for the defense of our country and our liberties, and second, to provide our citizens with a rising standard of living free from the economic perils of inflation and unemployment.

So that those who run may read, let me give in capsule form what I think our present circumstances require.

1. We must strengthen our defenses and make certain of our supremacy in the science and technology of modern arms.

2. We must prevent further deterioration of the credit of the United States and encourage sound economic growth.

3. These goals demand that we reject all tax reduction and pump-priming proposals which require deficit financing.

4. New Federal works programs should be placed on a self-liquidating basis. It is better that new works programs be sponsored at the local level.

5. We must end the price-wage spiral and curtail excessive profit margins.

6. We must restrain the abuse of credit—private and Government.

7. We must ameliorate the suffering of unemployment.

There is danger that our present economic difficulties may distract us from the requirements of national security and our responsibilities as leader of the free world. This could be fatal.

No economic program, no social plans, no so-called prosperity can have meaning while America's defenses are laggard and deficient. In this age of nuclear war and missiles, the price of unpreparedness may be sudden death. Considering all that is at stake, let us do more in building our defenses, rather than less.

I disagree entirely with those who claim that the American economy is not strong enough to meet the threat to our security. It met the demands of total war without seriously impairing the highest standard of living the world has ever known. Can we believe that it cannot support the defense program our safety demands? To be sure, effective defense requires high taxes. I like taxes no more than the next man, but there are worse burdens. It is infinitely cheaper to preserve peace than to fight a war. We can meet all our defense requirements and still provide all our needs, although maybe not all our wants.

While we can spend whatever is necessary for defense, prudent management can provide important savings. We must learn to manage our defense program more efficiently. We should eliminate the piecemeal approach—the costly starts and stops—which disorganize production and disrupt the economy.

In military expenditures, in fact for all spending, Congress should have the services of an expert staff, similar to the one the tax committees have. This staff could make a continuing running study of budgets and spending to insure that we get full value for every dollar spent. This is something that should have been done long ago.

But above all else, once and for all, we must relieve our defense program and our entire economy of the toll paid to inflation. Think of the planes we could have bought, the research we could have conducted, the extra benefits we could have provided our Armed Forces with the billions lost through inflation.

Inflation, gentlemen, is the most important economic fact of our time, the single greatest peril to our economic health. Its most important cause has been the tremendous expenditures for war—for nonproductive goods and services—which were financed too largely through borrowing and too little through taxes.

Inflation is primarily responsible for our mountainous national debt, for our high tax rates, for our record high level of expenditures, in what is called a time of peace. It has put our price structure on stilts and whittled down the purchasing power of the dollar. As the Government and our citizens stumble under its burden, continuity of confidence is broken, and a growing concern serves as an added drag on our economic activity.

We are now suffering a hangover after a long inflationary binge. As is always the case with hangovers, we have only ourselves to blame. More of the hair of the dog is no remedy. It only increases suffering and delays recovery.

The inflation of our time flows from the selfish struggle for special advantage among pressure groups. Each seeks tax cuts or price increases or wage raises for itself while urging the other to make the sacrifice and with little regard for the national interest.

This was true in World War II and in the Korean war. In both wars we ignored the lesson of experience which taught that the way to curb inflation and profiteering was to pay for war as nearly as possible out of taxes; to control prices, wages, profits, money, and credit; and thus provide a common standard fair to all. Instead we invited inflation by controls too little and too late, and by concessions too much and too soon, to special interest groups. We mortgaged future generations by inadequate tax programs.

This was true after World War II when instead of maintaining our strength until peace was assured, we prematurely disbanded our forces and abandoned necessary tax and other economic measures. And after Korea, at the first sign of the inevitable postinflationary readjustment, we injected a fresh dose of inflation into our system by reducing taxes.

Now that we face the painful process of readjustment again, the same recourse to inflation is being urged. The same struggle for advantage is being repeated. Each group wants to shift the burden of dislocation to someone else. Each wants special consideration, arguing that its wages or prices or profits must be kept up to avoid depression. All cry for tax reduction, deficit financing, pump priming—running to Mother Government to do something so we won't have to pay for the mess we've made.

Nothing is more dangerous than this notion that economic salvation lies through Government intercession. Government did not keep us from getting into our present condition. How can we rely upon it to get us out of it? Let us not turn always to the Government for succor, but remember rather that a free government depends always upon the people for sustenance. When I hear people demanding government do this or that I wonder why those voices were so silent when inflation could have been controlled.

Government does have a responsibility and a role to perform in the present circumstances, particularly in regard to those who are victimized by unemployment. But its actions must be in harmony with sound economic principles. Government cannot repeal economic laws.

In the face of a tremendous national debt and expenditure, it is folly to talk of tax reductions.

I am dubious about the purchasing power a tax cut will generate. The value of any conjectured purchasing power is outweighed, however, by the jeopardy in which a tax cut will place all the programs supported by taxes—from national defense to welfare assistance.

A tax cut will increase the deficit, add to the debt, and further weaken the Government's credit. To reduce revenues before our defenses are secure and our debt manageable is uneconomic and immoral.

Nor is this the time to embark on vast Federal works or other pump-priming programs requiring deficit financing. If we want dams and highways and new schoolhouses and other projects, we should be prepared to pay for them. Any new public-works program should be placed on a self-liquidating basis in the same manner as the present highway program—that is, it should be accompanied by a tax to pay for interest and amortization.

More effective than Federal action in this sphere, I believe, would be local action. Local governments can best survey their own situations, determine the idle resources of manpower, materials, and other facilities available, and balance them against the degree of need and their own budgetary requirements. Such locally conceived and sponsored works programs should also be self-supporting.

Self-help is the best help.

A nation, no less than an individual, must keep its financial house in order. Its financial strength, no less than an individual's will determine its capacity to withstand economic adversity. The credit of the United States Government is the foundation upon which our solvency and security rest. The strained condition of our credit handicaps our efforts to cope with the recession. We must prevent any further weakening of it by tax cuts, or deficit spending, or lifting the borrowing ceiling every time the debt presses against it.

We are not likely to enjoy surplus revenues soon. Yet there is no greater thing Congress could do to strengthen confidence and create jobs than to adopt now a long-range fiscal program designed to reduce our national debt.

Not until the Government puts its house in order will the people know how to bring order to their own affairs.

Debt management also has been made more difficult and expensive by the shortening of maturities. Now more than 80 billions, almost 30 percent of the debt outstanding, are on a short-term basis. I cannot understand why those in authority did not move earlier to refund the debt when the money market was easy. If private corporations could refund and borrow at rates as low as 2⅜, why couldn't the Government?

We must face, however reluctantly, the truth that Government action is no nostrum for economic health. Nor is it a substitute for individual responsibility. The adjustment must be made by each of us, in our business, our job, on our farm. We must work harder—cut costs—save more.

Nothing would be more effective in turning the tide than to halt the never-ending spiral of wages and prices. The best stimulant to our economy would come from price reductions. The consumer, who has no lobby or bargaining agent, is belatedly rebelling against having every wage and cost increase passed on to him. If industry and labor continue to push up wage, price, and profit levels, they will price themselves out of the market. Consumer resistance will grow, further depressing economic activity and adding to unemployment. Foreign goods will enter our markets in increasing quantities with unsettling effects on our domestic economy, our tariff policies, and our allies and friends.

No one wishes to see a return to cut-throat competition with its price wars and wage cuts. No one is more concerned to see labor preserve its gains than I am. But we must halt the wild, unmerry chase of prices, wages and profits.

We prefer not to compel this by legislative fiat or executive order. We rely upon individual action, self-discipline, and enlightened selfishness of labor and industrial leaders. If they cannot recognize that self-interest requires concern for the national interest, then they and the Nation as a whole will be made to suffer. If they will not adjust voluntarily and in time to the law of supply and demand, the adjustment eventually forced on them will be much more painful.

It would be an inspiring and salutary thing if the leaders of our great labor unions and businesses would jointly pledge to the President that for 1 year there will be no increase in wages or prices and that profit margins would at least be frozen.

Individual self-restraint should be exercised, too, in the area of private credit. Its excessive growth has been one of the major factors in our present difficulties and is one of the weak links in our economic chain. When individual indebtedness alone rises above $200 billion we have reason to be concerned.

I have often been shocked by the lengths to which banks, merchants and advertisers go to press credit upon the consumer with which to buy things they can be persuaded to want, but do not need. The susceptibility of the American public to these blandishments troubles me. The opportunity to vacation in Florida, California, or Latin America; or tour the Caribbean; or even visit the Taj Mahal for little or nothing down and a few dollars a week may not be easy to resist. But is it a proper use of credit?

In the last analysis, we face a test of character and commonsense. Have we so deluded ourselves that we take seriously the Alice-in-Wonderland notion that the cure for indebtedness lies in more debt; and that thrift is antisocial? Or do we have sufficient economic sense—and courage—to face the facts of our situation, recognize the mistakes we have made and correct them in time, without incurring the heavier penalties which delay and evasion will exact?

In summation, gentlemen, let me say:

First, that this recession is the inevitable aftermath of a period of inflation that could at least have been mitigated, if not prevented;

Second, that there is no cause for alarm if we will learn from our mistakes and call a halt to the practices which are responsible for this situation;

Third, that we can restore confidence along with economic health by sound measures which include:

(a) Determining the requirements of national security and doing all that is needed to meet them.

(b) Barring new inflationary adventures. Foregoing tax reductions. Avoiding deficit spending.

(c) Strengthening the credit of government by refunding the debt on a long-term basis and planning definite amortization.

(d) Stopping the price-wage spiral and the abuse of credit.

Gentlemen, ours is a country of boundless natural and human resources, of scientific and technological skills that defy obstacles and frontiers. The future holds promise if only we have the wit and discipline to use them properly. And let us not complain about our surpluses of food, fiber, and meats. If we do not add to them, but manage them intelligently, they will give us a reserve against any emergency of war or nature more precious than the gold of Ft. Knox.

In closing I offer for your meditation a thought expressed by one of the wisest Americans, Benjamin Franklin, who said—and I quote:

"The taxes are indeed very heavy, and if those laid by the Government were the only ones we had to pay, we might more easily discharge them; but we have many others, and more grievous to some of us. We are taxed twice as much by our idleness, three times as much by our pride, and four times as much by our folly; and from these taxes the commissioners cannot ease or deliver us by allowing an abatement."

HIGHWAY CONSTRUCTION

Mr. LAUSCHE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared concerning the supplemental highway bill which was passed by the Senate last Thursday, March 27.

On that night, before the bill was passed, I expressed my hope that as the highway program got underway, it would not suddenly become faced by increased prices of materials and demands for increased wages. The highway bill was passed to stabilize the economy and to provide work. My hopes were and are that that purpose will be achieved, and that no part of the fund will be dissipated by the suppliers of material and equipment asking for increased prices or by labor leaders asking for increased wages while the Nation is living in an economic recession.

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

STATEMENT BY SENATOR LAUSCHE

I address myself to the subject of the highway construction bill which the Senate passed last Thursday, March 27.

Near the conclusion of the debate on that bill, I briefly expressed my fears that unless contractors, suppliers of materials that go into highway construction, and labor, which is a major cost in highway construction, all cooperate fully in resisting unwarranted price and wage increases, that the true objectives of the bill would be defeated.

The intent of the original Highway Act of 1956 was to set up, on a pay-as-you-go basis a Federal assistance program to enable, through State cooperation, the building of an Interstate Highway System adequate for present and future needs.

In reference to the passage last week of the Federal-Aid Highway Act of 1958, the primary purpose was not only to carry out the major provisions of the original act, but to accelerate those provisions in order to help bolster a sagging economy, and primarily to provide employment throughout the Nation.

Any move on the part of any segment of the highway construction industry, be it labor or business, to use this accelerated program as a price and wage boost justification, will be defeating the ultimate purpose of the Congress.

The money for this program appropriated by Congress was not in the Treasury, nor was it in the anticipated revenues for the fiscal year of 1959, but was voted in the knowledge that it would have to be borrowed.

That act of deficit operation was only voted by many in the Congress in the hopes that the program would stem the recession.

Every Member of Congress, I hope, will be watching the actions and attitudes of the labor leaders, equipment and material suppliers, and highway contractors respecting their willingness to hold the line on wages and prices.

An unwarranted boost in any cost that go into the price we pay for this program will

be a mockery and travesty on justice because—

1. It will reduce the total number of miles of highway intended to be built;

2. It will of necessity reduce the number of workers that may be employed.

3. It will be a harm rather than a good to the economy.

The junior Senator from Ohio will ask for monthly reports from the Ohio Department of Highways on construction and material costs, and from the Industrial Relations Department of Ohio for any evidence of demands for increases in existing local wage rate agreements.

The PRESIDING OFFICER. Is there further morning business?

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Goldwater	Mundt
Allott	Gore	Murray
Anderson	Green	Neuberger
Barrett	Hayden	O'Mahoney
Beall	Hennings	Payne
Bennett	Hickenlooper	Potter
Bible	Hill	Proxmire
Bridges	Hoblitzell	Purtell
Bush	Holland	Revercomb
Butler	Hruska	Robertson
Byrd	Humphrey	Russell
Carlson	Ives	Saltonstall
Carroll	Javits	Schoeppel
Case, N. J.	Johnston, S. C.	Scott
Case, S. Dak.	Kefauver	Smathers
Chavez	Kennedy	Smith, Maine
Church	Kerr	Smith, N. J.
Cooper	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Dirksen	Lausche	Talmadge
Douglas	Mansfield	Thurmond
Dworshak	Martin, Iowa	Thye
Ellender	Martin, Pa.	Watkins
Ervin	McClellan	Wiley
Flanders	McNamara	Williams
Frear	Morse	Yarborough
Fulbright	Morton	Young

Mr. MANSFIELD. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Texas [Mr. JOHNSON], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business. I further announce that the Senator from Washington [Mr. JACKSON] is absent because of illness in his family.

The Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Conference in Europe as a representative of the Senate.

Mr. DIRKSEN. I announce that the Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent because of illness.

The Senator from Nevada [Mr. MALONE] is absent on official business.

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

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

The PRESIDING OFFICER. If there is no further morning business, morning business is concluded, and the Chair lays before the Senate the unfinished business.

COMMUNITY FACILITIES ACT OF 1958

The Senate resumed the consideration of the 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.

Mr. MANSFIELD. Mr. President, I should like to engage in a colloquy, if I may, with the distinguished minority leader relative to the bill which is before the Senate, S. 3497.

The Senate was informed on yesterday that it was the purpose of the majority side to meet at 10 o'clock today. Because a Republican meeting was to be held at the White House, it was mutually agreed by the leadership to meet at noon today. However, the Senate was warned on yesterday that, although it would meet at noon, it would stay in session until 11 or 12 o'clock. The hope was that the Senate could complete action on the pending bill and recess until Thursday, which would enable some Members to get an extra day off during the Easter recess. It was the intention on this side of the aisle to try to complete action on the bill, if at all possible, today. Because the amendments were few, it was felt they could be considered, and, by 11 or 12 o'clock tonight, the Senate could come to a vote and dispose of this particular measure, which we think is important and in the interest of the country.

I should like to ask the minority leader, if I may, if he would be willing to have the bill considered today, on a late night session basis, and perhaps have the Senate meet at an earlier hour tomorrow, in an attempt to bring the bill to a vote before the Easter recess.

Mr. KNOWLAND. I will say to the distinguished Senator from Montana that, as he knows, the report on the bill was not made available until sometime this morning.

Mr. MANSFIELD. That is correct.

Mr. KNOWLAND. So far as I know, few, if any, Members of the Senate have had an opportunity, outside of perhaps those who serve on the committee and who were present in committee, to study the committee report, the committee hearings, or the amendments which the committee proposes to the bill.

The bill does deal with a substantial sum of money, $1 billion. As originally introduced, the amount involved was $2 billion. That amount is as much as the total cost of running the Government was along about 1916 or 1917, before the United States entered World War I. So the bill involves a substantial sum of money. The bill would establish some new practices which might considerably change methods of financing public works projects on the part of localities.

Members of the Senate have not had an opportunity to consult with the citizens in their home localities and to consult with others in regard to the proposed legislation. The Secretary of the Treasury has some very grave misgivings as to the impact the bill may have on the debt ceiling.

From the point of view of proper legislative procedure, it seems to me it would be far better to afford Senators an opportunity to study the bill, which was just placed on the calendar this morning, and set it down for debate as soon as the Easter recess has expired. If Senators had an opportunity thoroughly to familiarize themselves with the bill, read the report and hearings, and had an opportunity to consult with the people in the localities in their respective States, I think it would be better legislative procedure. I so expressed myself to the distinguished acting majority leader.

Mr. MANSFIELD. Yes, that is correct; and I felt duty bound to make some sort of statement on the floor, because of the assurance I had given a number of Senators that we would try to conclude action on the bill tonight and, if necessary, would be in session until 11 or 12 o'clock.

I realize there is a great deal of merit in what the minority leader has said. Although the report was not available until this morning, it is available now, along with the hearings. The bill has been considered and discussed in full detail by the members of the Banking and Currency Committee. With a view to getting something done in this time of recession and great need, and since this especially affects small communities and counties, I was wondering if it would be agreeable to the minority leader to have the debate proceed today, thus enabling Senators to familiarize themselves with the bill, and perhaps have a final vote tomorrow.

Mr. KNOWLAND. It seems to me the period suggested is pretty short. I think the Congress of the United States has operated diligently. We have passed highway legislation and we have passed housing legislation, with bipartisan support. We have considered a number of appropriation bills. We have considered a good deal of other legislation as it has been proposed. Emergency legislation has been considered with support from both sides of the aisle.

We are now asked to consider a bill involving more than a billion dollars, a bill which certainly establishes far broader public policies than have been followed heretofore. It seems to me it would be a better legislative practice if the bill could be scheduled to be taken up immediately following our return from the Easter recess.

Of course, I recognize that the scheduling of legislation rests with the majority, on the other side of the aisle. As one who has cooperated fully toward expediting the other legislation, I feel in this matter what is proposed is a questionable legislative procedure, and I think the people of the country expect us to follow orderly legislative procedure in regard to legislation of such magnitude.

Mr. MANSFIELD. Mr. President, the minority leader has stated there has been responsible bipartisan cooperation with regard to antirecession measures and resolutions the Senate has already passed. I was hoping the same sense of responsible cooperation on a bipartisan basis would extend to our consideration of the Community Facilities Act of 1958.

because it likewise is, in large part, an antirecession measure.

I believe we would be facing up to our responsibilities, if it were at all possible, by considering the bill now, instead of waiting until the recess has ended. I believe we should try to complete consideration of the bill on the basis of 2 days' debate.

The minority leader and I both recognize this is a question which the Senate will have to decide for itself. I only express my opinion. I must admit if the particular measure now pending shall not be passed before the recess I shall be a little disappointed, because I believe it is a good step in the right direction toward combating the recession which is now affecting the entire country.

Mr. FULBRIGHT. Mr. President, I certainly agree with what the acting majority leader has said. If the bill is to be passed at all, it ought to be passed promptly as an antirecession measure. If action on the bill is delayed, then one of its principal virtues will be lost. I sincerely hope the bill will be considered today.

The bill was introduced. It was explained on the floor, and considerable discussion took place with respect to it some 2 weeks ago. I believe that was March 17.

The bill has been changed only in the direction, I may say, of making it more conservative. There has been a cutting in half of the amount to be provided, and an increasing of interest rate, neither of which items has my approval. I oppose both. In any case, we have gone a considerable distance in an effort to reach a compromise on the bill, with which those on the other side of the aisle could agree. Both the amendments, the one to increase the interest rate and the one to decrease the amount, were offered by the Senator from Maine [Mr. PAYNE]. The committee went along with them. I object to them, because I think they weaken the effect of the bill as an antirecession measure.

The minority leader says the proposed legislation represents a vast extension and undertakes new functions. I respectfully disagree with him. The program is the precise program which was contemplated in the legislation passed some years ago. I believe the original legislation passed while the Republicans were in control, in 1954. The distinguished Senator from Indiana [Mr. CAPEHART] was one of the cosponsors, and I believe the other cosponsor was the Senator from Alabama [Mr. SPARKMAN].

In any case, legislation was enacted which called for the preparation of plans for exactly such a contingency as the one we now face; that is, for a time when public works are needed. We are now in such a period. Plans have been made, and structures of all descriptions are ready to be built by communities. The Federal Government has advanced the money for the plans. The money is to be repaid, of course.

A modest amount is already available. One hundred million dollars has been made available, and about half of it is committed.

The reason the money is not being used to the full extent is that the interest rate is too high.

I submit to the minority leader he is in error in leading the Senate to believe we are to consider a vast new kind of program. We are to consider precisely the kind of program which was contemplated in the legislation passed in 1954, which has been on the books since that time, and which has been in operation. All we seek to do by the pending bill is to remove the limitation on the size. For instance, under the bili towns above 10,000 in population may apply for financial assistance.

How can anyone say this proposal is a radical departure? Actually, by administrative action the program has been restricted to cover towns smaller than those for which the coverage is authorized. There is only 1 applicant town above 5,000 and under 10,000 population which has been given a loan.

The reasons for such action may have been good ones, in my opinion. We were in an inflationary period. There was a shortage of materials. There was considerable pressure against our public funds. Interest rates were high. Other factors along that line were involved. There was justification for not desiring to add to the inflationary pressure. I believe the situation is reversed today.

We now face the very circumstances to which the Senator's own party looked forward.

Why should there be a desire to delay?

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

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. In the previous legislation to which the Senator refers, what was the dollar amount involved? Was it not $100 million?

Mr. FULBRIGHT. It was $100 million.

Mr. KNOWLAND. The pending bill involves a billion dollars?

Mr. FULBRIGHT. A billion dollars.

Mr. KNOWLAND. That is a slight typographical change.

Mr. FULBRIGHT. No. Obviously, in order to have an effect in combating a recession, we must provide more than $100 million. I believe that was contemplated. The $100 million was provided to take care of the very small program of servicing primarily communities of 5,000 population or less and in only two fields primarily, the fields of water systems and sewer systems.

The planning part of the work was not confined exactly in that way. The planning part, which was the part designed to create the plans to be used and to be brought off the shelf, in the language of the trade, to be put into effect when conditions warranted, was authorized. In a recession period, when there is unemployment, when there is an excessive supply of goods, when plants are shutting down instead of making building materials and providing steel and shingles—all kinds of building materials—the program is supposed to take effect.

Let us consider the hardwood flooring producers in my own State. Those companies are closed down. They are very anxious to have this type of program get under way. I am sure the lumber interests in California and the ceramics interests here and there, as well as the glass and other industries would benefit by the passage of the proposed legislation.

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

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. As to the $100 million provided in prior legislation, to which reference was made, is it not a fact that of such amount only $23 million has been used to date?

Mr. FULBRIGHT. That much has been expended.

Mr. KNOWLAND. I refer to the expenditure.

Mr. FULBRIGHT. Another $25 million or so has been committed. The total amount is really about $50 million. The reason for such a low expenditure is the charge of 4⅝ percent interest. The people cannot pay such interest rates. They will not pay them. Therefore, the facilities are not constructed.

Actually the whole matter comes down to one simple thing. The real difficulty is in the interest rate, with all deference to my friend from California. If the program is to be effective, a billion dollars is needed. The interest rate ought to be 3 percent. The bill provides for 3½ percent. Such an interest rate will do some good and will attract some people into the market who otherwise would not enter it. It is certainly a better interest rate than 4⅝ percent. That is the main consideration.

The Secretary of the Treasury is opposed to this bill. We all know that. There is no secret about it. There is no question that he is opposed to it, and in my opinion, he will be opposed to it next week, and 3 weeks hence, unless the depression becomes so serious that we must resort to a straight WPA program. The Secretary of the Treasury will continue to oppose it.

With all deference to the Senator from California, this is the most conservative bill in this direction that he will have the opportunity to vote for. If he does not vote for this bill, and the recession does not end very quickly, there will be much more radical measures than this coming before the Senate.

This is not a grant program. The loans will be to communities and they will all be good loans. They will rank in the higher echelons of quality.

This is not a giveaway program in any sense. It will not cost the Government anything. The interest rate will return a profit to the Government. The interest rate is one-half of 1 percent higher than the cost of money to the Federal Government today.

This program is not a "handout" at all. I dare say the Senator will be confronted with bills which will be much nearer to the Federal grant, make-work type of program than this bill.

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

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. So far as the legislation passed to date is concerned, there have been no make-work legisla-

tion, no leaf-raking measures passed by this body or by the House. The legislation passed by the Congress, on a bipartisan basis, has been sound and responsible.

I should like to ask the distinguished chairman of the committee a few questions.

Is it true that the amount originally proposed by the chairman in introducing the bill has been halved?

Mr. FULBRIGHT. It has been cut in two. I proposed an amount of $2 billion, which I think would have been a desirable amount. Everyone in the administration who comments on the recession accuses Democrats of preaching doom and gloom. They say the psychological impact has been bad. I should say that a sum of $2 billion would have a good psychological effect. It would guarantee the use of a substantial amount of money.

One reason why I do not feel that the reduction in the amount would cripple the program too much is that in the ordinary administration of the program it would not be feasible to process and use more than $1 billion for the first year. If the program proves to be as effective as I think it will be, next spring we can review the situation, and if there is need for still more money, we can provide it. If not, we will not need to provide more. I believe it would be better to provide $2 billion rather than $1 billion. There would be no waste of money. It would not flow out of the Treasury except in an orderly process.

Mr. MANSFIELD. Is it true that amendments proposed and sponsored by Republicans have been accepted in an effort to arrive at a reasonable compromise?

Mr. FULBRIGHT. The Senator is correct. The committee adopted the interest-rate amendment proposed by the Senator from Maine. I opposed it, but the committee adopted it by a vote of 9 to 6, as I recall.

Mr. MANSFIELD. Let me say to the distinguished chairman of the committee that I am in accord with his point of view about the interest rate, which I think is too high.

I am also in accord with those members of the committee who feel that the Bacon-Davis provision should be retained.

I invite attention of the minority leader and other Senators to the fact that assurances had been given to the membership that this measure would be considered today, and that the Senate would remain in session late. I feel honorbound to state to the Senate that the measure will be considered before the recess, that the Senate will remain in session late, and that we shall do our best to try to have the bill passed before the recess.

Mr. PAYNE. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I am glad to yield for a question; yes.

Mr. PAYNE. Is it not correct to say that during the colloquy which occurred earlier, sufficient emphasis was not placed on the fact that the reason why more communities have not taken advantage of the Community Facilities Act under the $100 million figure is that there is a limitation in the act so that no community in excess of 10,000 population is eligible under the act? Furthermore, is it not correct to say that there is a restriction on the number of so-called community facilities which may be undertaken under the provisions of the act?

Mr. FULBRIGHT. The Senator is quite right. I thought I made that clear. At least I tried to do so. The Senator has stated the situation as it has existed up to the present time. However, I believe it was contemplated in the original legislation that whenever a condition developed like the one now confronting us, with a recession and unemployment, those restrictions would be lifted.

Mr. PAYNE. Is it not true that there are in being a tremendous number of plans, already developed by communities all over the country, for so-called community facilities, on which the communities have not been able to proceed, for several reasons, one of them being the inability to secure money at reasonable rates of interest, and it has been necessary to hold the plans in abeyance, awaiting some development?

Mr. FULBRIGHT. The Senator is quite right.

Mr. PAYNE. I thank the Senator.

Mr. FULBRIGHT. I believe that is the important reason, and the major reason.

Mr. President, I ask unanimous consent that the committee amendments be deemed to be agreed to en bloc, and that the bill as amended be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Is there objection?

Mr. KNOWLAND. Mr. President, I assume this is the customary request, and that there will be no foreclosure of amendments being offered to the bill, and that the bill will be considered de novo.

Mr. FULBRIGHT. The Senator is correct. We did not wish to have a clean bill because most Senators have become familiar with the present numbering. That is why we did not report a clean bill. The granting of my request will have the same effect.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? Without objection, it is so ordered.

The amendments of the Committee on Banking and Currency, agreed to en bloc, are as follows: On page 2, line 25, after the word "loans", to insert (including construction loans)"; on page 3, at the beginning of line 3, to strike out "munisipalities," and insert "municipalities," and, in the same line, after the word "and", to insert "political subdivisions of States, and public corporations, boards, and"; on page 4, at the beginning of line 2, to strike out "fifty-five" and insert "fifty-two"; in line 20, after the word "first", to strike out "five" and insert "two"; on page 5, at the beginning of line 2, to strike out "five" and insert "two"; in line 17, after the word "exceed", to strike out "five" and insert "two"; in line 23, after the word "exceeding", to strike out "$2,000,000,000" and insert "$1,000,000,000"; on page 6, line 6, after the word "than", to strike out "the average annual interest rate on all interest bearing obligations of the United States then forming part of the public debt as computed at the end of the month next preceding the issuance by the administrator of such notes or other obligations and adjusted to the nearest one-eighth of 1 per centum" and insert "the current average yields on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations."; on page 7, after line 3, to strike out:

"(b) Funds borrowed under this section and any proceeds shall constitute a revolving fund which may be used by the Administrator in the exercise of his functions under this title.

And insert:

"(b) Funds borrowed under this section may be used by the Administrator in the exercise of his functions under this title. Of such funds not to exceed $400,000,000, together with the proceeds therefrom, shall constitute a revolving fund for the purposes of this title.

On page 8, after line 13, to strike out:

SEC. 3. No loans shall be made under section 108 of the Reconstruction Finance Corporation Liquidation Act after the date of enactment of this act.

And insert:

SEC. 3. The Housing and Home Finance Administrator is directed to make a study to determine the extent to which additional funds are required by the Community Facilities Administration to assist municipalities and other political subdivisions of States to finance the construction of essential public works and facilities. The Administrator shall report his findings and recommendations to the Committees on Banking and Currency of the House and Senate within 60 days after the date of enactment of this act.

And, at the top of page 9, to insert a new section, as follows:

SEC. 4. Section 702 (e) of the Housing Act of 1954, as amended, is amended by:

(a) striking "$14,000,000" and inserting in lieu thereof "$64,000,000"; and

(b) striking "$48,000,000" and inserting in lieu thereof "$98,000,000."

So as to make the bill read:

Be it enacted, etc., That this act may be cited as the "Community Facilities Act of 1958."

SEC. 2. Title II, Public Facility Loans, of the Housing Amendments of 1955, is amended to read as follows:

"TITLE II—PUBLIC FACILITY LOANS

"DECLARATION OF POLICY

"SEC. 201. It has been the policy of the Congress to assist, wherever possible, the States and their political subdivisions to provide the services and facilities essential to the health and welfare of the people of the United States. The Congress finds that in many instances municipalities or other political subdivisions of States, which seek to provide essential public works or public facilities, are unable to raise the necessary funds.

"The Congress finds that the immediate construction of these essential public works and public facilities would enhance the health and welfare of the people of the

United States and would reduce unemployment and stimulate business activity.

"It is the purpose of this title to authorize the extension of credit to assist in the provision of essential public works or facilities by States, municipalities, or other political subdivisions of States, where such credit is not otherwise available on equally favorable terms or conditions.

"FEDERAL LOANS

"SEC. 202. (a) The Housing and Home Finance Administrator, acting through the Community Facilities Administration, is authorized to purchase the securities and obligations of, or to make loans (including construction loans) to States, municipalities, and other political subdivisions of States, public agencies, and instrumentalities of one or more States, municipalities and political subdivisions of States, and public corporations, boards, and commissions established under the laws of any State, to finance specific public projects under State or municipal law. No such purchase or loan shall be made for payment of ordinary governmental or nonproject operating expenses.

"(b) The powers granted in subsection (a) of this section shall be subject to the following restrictions and limitations:

"(1) No financial assistance shall be extended under this section unless the financial assistance applied for is not otherwise available on equally favorable terms and conditions, and all securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations or otherwise.

"(2) No securities or obligations shall be purchased, and no loans shall be made, including renewals or extensions thereof, which have maturity dates in excess of 50 years, except that when the authority granted in paragraph (5) below is exercised, the maturity date shall not exceed 52 years.

"(3) Interest shall be charged on loans made under this section at a rate determined by the Administrator which shall not be more than the total of one-quarter of 1 per centum per annum added to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in section 203 of this title. In determining from time to time the rate of interest within the limits provided in this paragraph, the Administrator shall be guided by the then current urgency of the need to encourage and promote essential public works and public facilities and to provide the maximum stimulus to business activity and employment.

"(4) At the request of a municipality or other political subdivision made at the time of its application for financial assistance under this act, the Administrator shall establish with respect to the securities, obligations, or loan involved an amortization schedule which, during an initial period not exceeding the first 2 years after the assistance is furnished, either (A) requires only the interest payments to be made or (B) provides that no payments of either principal or interest need be made, as the municipality or political subdivision may elect: *Provided, however,* That if the municipality or political subdivision elects to postpone the payment of interest during an initial period of up to 2 years under clause (B), the interest so postponed shall be paid over the balance of the life of the loan, in addition to the interest regularly accruing during such subsequent period.

"(5) The Administrator, to avoid threatened default, may in his discretion, at any time or times during the life of any securities or obligations purchased under this section or any loan made under this section, consent to the postponement of any annual payments of interest and principal which would otherwise be due and payable with respect to such securities, obligations, or loan, and the maturity of such securities, obligations, or loan shall be extended for a number of years equal to the number of such annual payments so postponed; but the aggregate number of annual payments postponed under this paragraph with respect to any securities, obligations, or loan shall not exceed two.

"FINANCING

"SEC. 203. (a) In order to finance activities under this title, the Administrator is authorized and empowered to issue to the Secretary of the Treasury, from time to time and to have outstanding at any one time, in an amount not exceeding $1 billion, notes and other obligations. Such obligations shall be in such forms and denominations, have such maturities and be subject to such terms and conditions, as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury which shall not be more than the current average yields on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

"(b) Funds borrowed under this section may be used by the Administrator in the exercise of his functions under this title. Of such funds not to exceed $400 million, together with the proceeds therefrom, shall constitute a revolving fund for the purposes of this title.

"GENERAL PROVISIONS

"SEC. 204. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402, except subsection (c) (2), of the Housing Act of 1950. Funds obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for the administrative expenses of the Administrator in connection with the performance of such functions.

"SEC. 205. (a) As used in this title the term 'States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

"(b) As used in this act the terms 'public works' and 'public facilities' include the construction, repair, and improvement of public streets, sidewalks, highways, parkways, bridges, parking lots, airports, and other public transportation facilities; public parks and other public recreational facilities; public hospitals, rehabilitation and health centers; public refuse and garbage disposal facilities, water, sewage, and sanitary facilities, and other public utility facilities; public police and fire protection facilities; public schools, libraries, offices, and other public buildings; and public land, water, and timber conservation facilities."

SEC. 3. The Housing and Home Finance Administrator is directed to make a study to determine the extent to which additional funds are required by the Community Facilities Administration to assist municipalities and other political subdivisions of States to finance the construction of essential public works and facilities. The Administrator shall report his findings and recommendations to the Committees on Banking and Currency of the House and Senate within 60 days after the date of enactment of this act.

SEC. 4. Section 702 (e) of the Housing Act of 1954, as amended, is amended by:

(a) striking "$14,000,000" and inserting in lieu thereof "$64,000,000"; and

(b) striking "$48,000,000" and inserting in lieu thereof "$98,000,000".

Mr. FULBRIGHT. Mr. President, the principal features of the bill, S. 3497, as reported by the committee, are found on pages 5 and 6 of the report, and are as follows:

First. It would increase the fund for the public facility loan program from $100 million to $1 billion, and would permit $400 million of the total fund to operate as a revolving fund.

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

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. Because some question was raised as to whether it would be the intention to proceed with the consideration of the bill—and it is now obvious that it is the intention to do so—I wonder whether the Senator from Arkansas would permit me to suggest the absence of a quorum, so that the entire membership may be alerted to the fact that the Senate is proceeding to the consideration of the bill?

Mr. FULBRIGHT. I wonder whether the Senator would first permit me to make my statement. It is very much like the other statements which have already been made. I should like to get it into the RECORD in proper order, along with the other statements which have already been made. It will take me no longer than 10 minutes.

Mr. KNOWLAND. Of course I shall defer to the wishes of the Senator from Arkansas.

Mr. FULBRIGHT. I wish to make my statement primarily for the RECORD. In our colloquy we have already debated most of these matters. This is the appropriate place for my statement to go into the RECORD in an orderly presentation. Then we can debate the subject further.

Mr. KNOWLAND. Very well.

Mr. FULBRIGHT. I continue with my statement:

Second. It would revise the interest-rate formula to produce a maximum rate, under present conditions, of approximately 3½ percent.

Third. It would raise the maximum term of public-facility loans from 40 years to 50 years, with an additional 2 years permissible under certain circumstances.

Fourth. It would remove provisions of existing law which until recently have resulted in loans only to small towns and cities.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield.

Mr. BUSH. The Senator from Arkansas has just stated that the bill would remove provisions of existing law which until recently have resulted in loans only to small towns and cities. Will the Senator tell us what those provisions are?

Mr. FULBRIGHT. Under existing law the restriction is 10,000 in population. No community which has a population of more than 10,000 can be considered eligible for a loan. The Senator will recall that I asked the Administrator about this provision, and his answer was that all but one of the loans which have been made under existing law have been made to towns of less than 5,000 population. Only one was made to a town of more than 5,000 population. That fact is shown by the hearings.

Mr. BUSH. Is that the only change? There is no limitation placed on the size of the town or city?

Mr. FULBRIGHT. No. It is an antirecession bill. New York City would be eligible. So would Bridgeport, Conn., or any other city. Any city could come within the provisions of the bill. Applications from cities which desire to put into effect programs of improvements which they themselves consider to be necessary would be welcome. They will have to pay for the improvements. This is not a grant program in any respect. Communities will not rush into programs they do not want. They will have to pay for them. It is not a grant program at all.

Mr. BUSH. The Senator refers to the bill as an antircession bill. I should like to ask the Senator whether he believes that communities which do not have bond issues already authorized will be able to avail themselves of the provisions of the proposed legislation within the next few months; rather, is it not more likely that it would be a matter of at least 6 or 7 or 8 months before any communities which are not already eligible under existing law would be able to avail themselves of the new law?

Mr. FULBRIGHT. I refer the Senator to the hearings. We questioned some experts in this field. One of them is the representative of many communities. He is Mr. Patrick Healy, Jr., Executive Director of the American Municipal Association, which, directly or indirectly, represents practically every incorporated city in the United States. He gave an estimate of far less time than that within which many communities, which have plans already developed, would be ready to go ahead, and would go ahead except for the lack of financing. Many of the plans, as I showed by statistics in my previous statement, were developed under financing provided by existing legislation. In addition to those plans, there are many which have been developed privately. I see no reason at all why many of these construction projects could not get under way within 30 or 60 days.

Mr. BUSH. The Senator from Arkansas referred to the hearings. I should like to have an opportunity to read the hearings. I may say to the Senator that I hope very much, inasmuch as very few, if any, Senators have had a chance to read the hearings, that he will consider favorably the request or suggestion made by the minority leader that the bill be put over until we can look at the hearings and make an intelligent study of the proposed legislation. Many of us feel that this is not a crash program at all, and does not present any possibility of immediate relief in the unemployment situation. Therefore I believe we ought to study it very carefully, at least for a few days, before we are forced to take action on a bill of this magnitude and importance.

Mr. FULBRIGHT. In the first place, the Senator from Connecticut was present at many of the hearings, as I recall, and he has had available the testimony. I should also like to point out to the Senator that I tried on last Wednesday to bring the bill before the Senate, but Senators on the committee from the other side voted unanimously to delay it until Monday. I did not delay it. It could have been before the Senate last Wednesday. I did what I could to bring it to the floor last Wednesday. Every Republican member of the committee voted to delay it.

If the Senator should succeed in having the bill delayed for some time, then of course the bill would no longer be an antirecession measure. Timing is all important. If the Senator wishes to vote against it, he has that privilege. I will not quarrel with him about that, and I will not hold it against him. The Senator may wish to have the bill voted down and defeated. If the Senator believes we are not confronted with a serious recession, that there is no need for such a law, and that there is plenty of money for everyone, then he should vote against the bill. We differ in our evaluation of the present economic condition of the country. That is a legitimate difference of view.

However, if there is unemployment, if there is a recession, and if there is need for jobs and construction, then we ought to do something about it at the earliest possible moment. There is no use delaying the bill any longer. Senators on the other side of the aisle have delayed it already nearly a week. I did not agree to delay the bill. The Senator will recall that we voted on the question, and I was overruled. It was a mistake to delay the bill.

Mr. BUSH. If the Senator is correct in his statement that it is an antirecession measure, it is certainly one which deserves very careful consideration. It is true that on my motion in committee consideration of the bill was put over from Wednesday. That was done because the Senator from Indiana [Mr. CAPEHART], the ranking minority member of the committee, who is most familiar with the history of this type of legislation, was in the hospital. We all felt that that was a perfectly legitimate reason for requesting the committee to defer action. It was not a delaying tactic in itself, but one of courtesy to a Senator who has had much to do with the background and history of this type of legislation.

The same impulse would suggest very strongly to me that the bill should be postponed until after the Easter recess. But that is not the main reason. The principal reason is, as the Senator from Arkansas says, that the bill is an antirecession measure, and therefore deserves very careful consideration so that we may determine whether the measure would do any good at all in relieving the present unemployment situation.

My very great fear about the bill, if the Senator will permit me one more word, is that by the time municipalities are able to avail themselves of the provisions of the law, next fall or next winter will have arrived. I am very hopeful, and I am sure the Senator from Arkansas joins me in the hope, there will be no recession at that time, and thus no necessity for this type of crash program.

Mr. FULBRIGHT. It is not a crash program in that sense, because if there is no necessity for it, if the interest rate is to be as high as is proposed, I do not think there will be many applicants for financial aid. There is nothing mandatory in the bill; there is nothing in it which says that the money must be lent regardless of the conditions which exist in the country. I do not think there is nearly the danger in the bill which the Senator from Connecticut feels there is, when we consider that the projects to be undertaken under the provisions of the bill are in the nature of needed public works.

The only danger I can think of is that the bill might tend to lower the interest rates to the borrowers. In my view, that is not a danger. In the view of the Secretary of the Treasury, it is. He is against the bill. He has written letters strongly opposing the measure. I think he is mistaken in his view.

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

Mr. FULBRIGHT. I yield to the Senator from Ohio.

Mr. LAUSCHE. I found on my desk the bill and documents relating to it. Knowing that the bill was to be taken up, I hurriedly began to read them. It is thoroughly obvious that it is impossible to begin to digest the contents of the hearings and the report in the brief time which will be allowed us while the bill is being considered.

If a crash program to help overcome the recession is to be considered, I want to join in it. However, I wish to consider what relationship the bill will have to a deficit operation into which we are running.

It is stated that the Government will end the fiscal year 1959 with a deficit of $15 billion. I do not want to pass hurriedly upon a measure having the significance which the bill has. It involves $1 billion of lending money. It has a relationship to the prospect of a deficit operation. It will have an impact upon the national debt.

I have just finished reading the statement made by Mr. Baruch this morning before the Committee on Finance. Above everything else, he advised against deficit operations.

I join with the Senator from Connecticut [Mr. BUSH] in suggesting that we ought to have more than 12 hasty, panicky hours in which to consider so important a measure.

Mr. FULBRIGHT. There is nothing hasty or panicky about the present hour, which I can see. There is nothing in the nature of a crash program envisioned in the bill. The program has been contemplated since 1954. If the Senator has followed the debate at all, he must know that. I spoke about the matter and we engaged in colloquy on the floor 2 weeks ago about the program. We reviewed its history.

The act establishing a Community Facilities Administration was passed in 1954. That Administration is now in being and is in full operation. It has offices all over the United States. It is doing in a small way the very thing that is proposed in the pending bill. There is nothing "crash" about the bill at all. It is not a panicky proposal. I am not panicky. If the bill is defeated, I will not panic; I will not even cry. The disposition of the bill is the responsibility of the Senate. The Senate can do as it pleases about it.

The majority leader believes that the economy of the Nation is in a serious condition, or that an even more serious condition is threatened. He does not want a depression to devolop so that the deficit of $15 billion, which the Senator mentioned, will result. But such a depression will result if we do not take action of a preventive nature, or if we let things become so bad that it will be necessary to effect a big tax reduction, a big relief program, and many other things which will really cause a deficit.

The bill is a conservative one. What will the Senator from Ohio do if the administration proposes a bill it is tentatively considering to extend unemployment relief for another 13 weeks or perhaps 56 weeks? That will be a very expensive bill, because it will involve direct outgo with no return.

The bill before the Senate proposes a conservative lending program. Every nickel will be repaid. It will not all be disbursed immediately. It will not be spread out in the form of handouts. It will not be like a tax reduction, which would really create deficit spending.

The money which is involved in the bill will be expended rather gradually.

Mr. MANSFIELD. Mr. President, will the Senator yield? I should like to answer the Senator from Ohio.

Mr. FULBRIGHT. I yield to the Senator from Montana.

Mr. MANSFIELD. I certainly do not agree with the statement of the Senator from Ohio that 12 hours of panicky consideration will be given to the bill. If necessary, the Senate will meet 12 or 15 hours today and tomorrow, because we shall be in session late tonight, and will try to meet early in the morning. The Senate will remain in session late tomorrow night, and, if need be, will meet early on Thursday.

I call attention to the fact that an Easter recess is in the offing. Plenty of notice was given to the Senate that the bill would be taken up. As a matter of fact, any delay in its consideration is not because of action on this side of the aisle, but because of a desire to accommodate Senators on the other side of the aisle. Ample notice has been given.

The Senate has passed no irresponsible legislation so far this year. I certainly am not one who would be panicked by 12 hours' consideration of the bill. I do not think the Senate would be either.

Mr. LAUSCHE. Mr. President, will the Senator yield, since this discussion revolves about me?

Mr. FULBRIGHT. I will yield, although I shall not yield indefinitely. But I will yield for a question or a comment.

Mr. LAUSCHE. In Ohio, the all-inclusive budget for the current 2-year period was $1,800,000,000, and usually 6 months were necessary in which to consider it.

I will have considerable difficulty in telling the people of Ohio that I joined in the approval of a program involving the expenditure of $1 billion, when the papers covering the hearings were delivered to me at 12 o'clock noon, and a request was made upon me to vote upon the bill on this day or by tomorrow. I will not be able to do so.

Mr. FULBRIGHT. I call the attention of the Senator from Connecticut to the matter of time. On page 121 of the hearings he will find the testimony of Mr. Patrick Healy, who is the executive director of the American Municipal Association, of which Mayor George Christopher, of San Francisco, is the president. On page 121, Mr. Healy said:

> On the other hand, there are a large number of projects ready to go that could be put into construction within 60 days after this bill was passed if they could get the financing.

Mr. Healy is as good an authority as I know of on the question whether there are plans ready for use and whether the projects could be put under construction in a short time.

Mr. BUSH. I may say in answer to the Senator from Arkansas [Mr. FULBRIGHT], and also observe in connection with what the Senator from Montana [Mr. MANSFIELD] has said, that although I am a member of the committee, I have not had a chance until today to see a copy of the hearings, or to see a copy of the report.

I do not believe a copy of the report was available even on yesterday, although perhaps it might have been available yesterday evening. If that is not trying to legislate on a crash basis, I do not know what is. I have not seen any such action as this since I have been a Member of the Senate. That has not been so very long, and not so long a time as the service of the Senator from Arkansas. But so long as I have been a member, with him, of the Committee on Banking and Currency, I have never seen a bill pushed through in the way in which this bill was sought to be pushed through.

I do not think it is fair to Senators who have responsibilities to discharge to ask them to vote, without adequate consideration, on very large appropriation measures or authorization measures. As the Senator from Utah pointed out recently, an additional $1 billion can be created in the deficit of the United States Government.

Mr. FULBRIGHT. I do not understand how the Senator from Connecticut can become so excited about this bill. A bill was reported the other day which will provide $1,500,000,000 for the military. When it passed, there were not six Senators in the Chamber.

I read in the newspapers that another bill involving a large sum of money will be reported within 2 or 3 weeks, and I doubt if there will be 10 minutes' debate given to it. No one will think anything of that at all.

The Senator from Connecticut knows very well that this particular bill touches a sensitive point. That is why he wants to have a delay. That is why he wants to defeat the bill, if he does. The Congress deals with the military appropriations and makes appropriations of $1 billion or $2 billion or $4 billion without turning a hair, and practically without debate.

I remember that when I was a Member of the House of Representatives, the House passed a bill carrying appropriations of $30 billion when only a few Members were on the floor, and debate on the bill did not take even 30 minutes. That is an old custom of the Congress.

So the amount involved is not the point. The point is, of course, that the administration and the Secretary of the Treasury are opposed to the bill, as the Secretary of the Treasury said in his letter. He does not like the interest rate for which the bill provides. It is all right for him not to like the interest rate; that is his privilege. If a Senator does not want the bill to be passed, it is his privilege to oppose it.

But the Senator from Connecticut himself joined, on last Wednesday in delaying the taking of action on the bill; so I do not think he is in a good position to complain about the time when the report on the bill was available. The Senator from Connecticut would have had the report on Thursday, but for his vote. And the Senator from Connecticut could have had the report this morning, at 9 o'clock, if he had cared to examine it then. If he had done so, he could have read all of it by now.

Mr. BUSH. But I do not like to work under such pressure.

Mr. FULBRIGHT. Furthermore, the report is dull reading; no doubt that is why the Senator from Connecticut does not wish to read it.

Mr. BUSH. No, I do wish to read it. That is why I suggest a postponement.

Mr. MANSFIELD. Mr. President, will the Senator from Arkansas yield to me?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Arkansas yield to the Senator from Montana?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. Is it not odd that Senators on the other side of the aisle suddenly develop such concern about the proposed legislation? Why did they not show such concern earlier, in connection with other measures, some of which have called for authorizations much larger than the one called for by the pending

bill. As a matter of fact, the program proposed by the pending bill is not to be a grant program, is it?

Mr. FULBRIGHT. No.

Mr. MANSFIELD. It is to be a loan program, is it not?

Mr. FULBRIGHT. That is correct.

Mr. MANSFIELD. As a matter of fact, regardless of whether Senators on the other side of the aisle will admit it, the country is in a recession; and so far as my State of Montana is concerned, there is a depression. I believe action should be taken on the bill before the Easter recess begins.

Mr. FULBRIGHT. Furthermore, Mr. President, if the proposed action, which is relatively mild, is not taken, I think it is much more likely that a serious depression will develop. Preventive action such as that now proposed will ward off real deterioration in our economy.

Let me say, with all due deference to the Senator from Connecticut, that I know that a program of this kind is more in accord with his kind of economic philosophy than will be the kind of program with which he will be confronted later on, if the depression becomes worse and worse. If this proposal should be defeated, the Senator from Connecticut will be sorry, later on, that he did not accept this program.

Mr. BUSH. Again let me say to the Senator from Montana that it takes only a certain amount to break the camel's back. Many of us think this bill is not as necessary as the Senator from Montana thinks it is.

As a matter of fact, those of us on this side of the aisle do not consider a $1 billion authorization an authorization for the appropriation of a modest amount of money; and we wish to have enough time to study the implications of the bill, before the vote on it is taken.

Mr. MANSFIELD. Mr. President, will the Senator from Arkansas yield again to me?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. Let me ask the Senator from Connecticut whether he voted to report the bill from the committee.

Mr. BUSH. No, I did not. The committee voted only yesterday to report the bill. I was not present at that meeting of the committee. At that time I was at Fort Bragg, to attend the ceremonies in honor of General Gavin, who is retiring from the Army. I went there as a member of the Senate Committee on Armed Services.

Before I left for Fort Bragg, I gave my proxy to one of my colleagues: and he used my proxy to have me recorded as voting in favor of having the bill reported. He did that on his own volition; he had my unlimited proxy. He himself voted against reporting the bill; and if I had been at the committee meeting, I would have voted against reporting the bill. That is the full story in regard to that situation.

As a matter of fact, although the report shows that only two of the members of the committee were opposed to reporting the bill, I wish to point out that the Senator from Indiana [Mr. CAPEHART] was not present at that meeting. He is in the hospital. But judging from what he said before he went to the hospital, he would have voted against reporting the bill. If so, that would have made four members of the committee who would have voted against reporting it.

Mr. MANSFIELD. Mr. President, if the Senator from Arkansas will yield again to me, let me say that it appears to me that the Senator from Connecticut is opposed to the bill, and thus is pursuing dilatory or delaying tactics, in the hope that the bill can be defeated before the Easter recess begins.

Mr. BUSH. But certainly a Senator is justified in opposing a bill if he does not know what it provides for.

Mr. MANSFIELD. Mr. President, the Senator from Connecticut should know what the bill provides, for he is a member of the committee.

Mr. BUSH. But the hearings on the bill were very brief. In all the years I have been a Member of the Senate, no other bill has been pushed through the committee so quickly as this one has. In fact, if it had not been for the absence of the Senator from Indiana [Mr. CAPEHART], the bill would have been reported 2 or 3 days ago.

Mr. FULBRIGHT. As a matter of fact, I believe the housing bill carried an appropriation authorization of $1,800,000,000, and that bill was passed with little or no objection. I do not believe the Senator from Connecticut voted against that bill. In fact, I think scarcely any Members of the Senate voted against it. So the size of the proposed authorization does not seem to be the controlling point.

I do not know why there is such opposition to the bill.

Mr. BUSH. But at first glance there appears to be much less reason for the enactment of this bill than there was for enactment of the housing bill.

Mr. SPARKMAN. Mr. President, will the Senator from Arkansas yield to me?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Arkansas yield to the Senator from Alabama?

Mr. FULBRIGHT. I yield.

Mr. SPARKMAN. Is it not true that the hearings on the bill began on March 19, almost 2 weeks ago?

Mr. FULBRIGHT. Yes. And debate on the bill occurred on the floor of the Senate 2 weeks ago.

Mr. SPARKMAN. The hearings lasted approximately 1 week; there was 1 week between the first day and the second day of the hearings, was there not?

Mr. FULBRIGHT. That is correct.

Mr. SPARKMAN. On the next day the committee met in executive session, to consider the bill; and the consideration of the bill was continued, at the request of a Senator on the other side of the aisle.

Mr. FULBRIGHT. That is correct.

Mr. SPARKMAN. It was continued until Monday—yesterday, was it not

Mr. FULBRIGHT. That is correct.

Mr. SPARKMAN. Is it not true that every member of the committee has notice that the intention was to have the committee vote on yesterday on the question of reporting the bill, and that every effort would be made to have the bill brought before the Senate, for consideration, prior to the commencement of the Easter holidays?

Mr. FULBRIGHT. The Senator from Alabama is absolutely correct.

Mr. SPARKMAN. In other words, no Senator is caught without notice in this regard. Is that not true?

Mr. FULBRIGHT. The Senator from Alabama is again quite correct.

Furthermore, the facts involved in the proposed program are very simple, indeed; there is nothing new about it.

Mr. SPARKMAN. Is not the pending bill an amendment of basic, existing law?

Mr. FULBRIGHT. Yes; it is an amendment of an existing program.

As I have pointed out, the principal features of the bill are to increase the program from $100 million to $1 billion, and decrease the interest rate from 4⅝ percent to 3½ percent. There is nothing complicated about the bill.

Mr. SPARKMAN. The bill also removes the limitation, does it not?

Mr. FULBRIGHT. Yes, it removes the limitations as to the size of the cities which may qualify under the program, and the type of projects eligible.

Mr. SPARKMAN. Yes; and that is all there is to the bill; is not that correct?

Mr. FULBRIGHT. Certainly. One does not have to take days and days to consider those changes.

Mr. SPARKMAN. Mr. President, if the Senator from Arkansas will yield further to me, let me say that of course I consider carefully the views of the Senator from Connecticut [Mr. BUSH], who is a valuable member of the Banking and Currency Committee. But is it not true that he was present at the committee meetings and participated freely in the deliberations from time to time, during the committee's consideration cf the bill?

Mr. BUSH. Mr. President, perhaps the Senator from Arkansas will permit me to answer as to that.

Mr. SPARKMAN. I was there, and I recall some quite lively discussion by the Senator from Connecticut.

Mr. FULBRIGHT. I have no doubt that the Senator from Connecticut understands the bill thoroughly.

I really believe that the only difference between the Senator from Connecticut and myself is that the Senator from Connecticut does not think a serious recession is developing, and sees no reason to interfere with the calm and profitable course of the interest rates which now prevail in New York, and he thinks the pending bill might have an unsettling influence in that connection.

Let me say that I want to unsettle that high interest rate, and I think the Senator from Alabama also wants to unsettle it a bit. In fact, about the only point discussed in connection with the housing bill was the interest rate. On that question there was a tie vote, as the Senator will recall.

If I could read the minds of my friends across the aisle, I am confident that it would be found that the objection to the bill centers around the provision for an interest rate of 3½ percent. Senators on the other side of the aisle do not favor an interest rate of 3½ percent, since at the present time the interest

rates on loans of this type are 4⅛ to 4⅝ percent.

Mr. SPARKMAN. Mr. President, will the Senator from Arkansas yield further to me?

Mr. FULBRIGHT. I yield.

Mr. SPARKMAN. Some reference was made to the proxy which was used for the ranking minority member of the committee, the Senator from Indiana [Mr. CAPEHART], in connection with the vote in the committee on the question of reporting the bill.

Mr. FULBRIGHT. Yes.

Mr. SPARKMAN. Is it not true that the Senator from Indiana offered three which were proposed in the committee?

Mr. FULBRIGHT. I believe so. They were submitted by his proxy holder, and his proxy was voted.

Mr. BUSH. Mr. President, I should like to answer the question the Senator from Alabama raised in regard to my presence at the committee meetings.

The Senator from Alabama made a correct statement about my absence at the meeting on Monday. I missed that meeting.

But at none of the meetings I attended did the members of the committee come to grips with the policy question which is involved. Instead, all the discussion was about the procedure. I participated in that discussion, at the meetings which I attended.

Mr. FULBRIGHT. The Senator from Connecticut certainly did participate in it.

Mr. BUSH. When such questions are raised, I always defend the position the Senator from Arkansas takes, even when some Senators on his own side do not agree with him.

But at the meetings of the committee which I attended, all the discussion in connection with the bill was in regard to procedural matters and as to whether the vote on reporting the bill should be postponed until the Senator from Indiana [Mr. CAPEHART] returned, and so forth and so on.

I do not believe that in the committee there was any discussion regarding the merits of the bill; I do not believe any discussion of that sort occurred when I was present at the committee meetings. Of course, I was not present at the meeting on yesterday; and that was my fault.

Mr. FULBRIGHT. I may say it was not very likely that long and extended debate on the merits of the bill would be in order, because everybody understood it so thoroughly, and the idea has been in the law so long, that no one would rehash what is already well known.

Let me call to the attention of the Senator from Connecticut language in section 702 of the Housing Act of 1954, of which, I think, the Senator from Indiana [Mr. CAPEHART] was a cosponsor. This quotation from that act is found on page 5 of the report:

> Encourage municipalities and other public agencies to maintain at all times a current and adequate reserve of planned public works the construction of which can rapidly be commenced, particularly when the national or local economic situation makes such action desirable.

That is the basic philosophy and provision of the existing law. As I said before, the real difference, if any, between the Senator from Connecticut and his colleagues on the other side of the aisle and myself hinges around that last phrase, "when the national or local economic situation makes such action desirable." If the Senator does not think conditions today make it desirable, he should properly vote against the bill. If conditions make it desirable, he should vote for the bill. It is a simple bill. There is no need for long debate either on the floor of the Senate or in committee.

Mr. BUSH. One thing that disturbs me about the bill is that I am not at all sure it comes to grips with conditions existing today. The reason why the acting majority leader is trying to push the bill through in such a hurry is that he has the idea or expects us to believe that enactment of the bill will relieve the unemployment situation.

Mr. FULBRIGHT. That is correct.

Mr. BUSH. I need more time to study the report and the hearings, but there is nothing I have been able to find from the evidence which shows the bill is going to come to grips with the situation at all. It may be months before any benefits will accrue from it.

Mr. FULBRIGHT. I do not know of any proposal which will come to grips with the situation instantly, this afternoon or today; but the evidence for the need for the bill is quite clear. Mr. Healy, the witness for the American Municipal Association, stated that numerous projects were ready to go forward and could be put into construction in 60 days. I would not pretend the benefits provided by the bill could get under way any sooner than 60 days. The mere fact that such projects could get under way within 60 days would have an immediate effect on plans and the psychology existing in the present situation. If those engaged in the field of construction and building materials were thinking about closing their plants tomorrow, and they learned the bill had passed and they could foresee the effects of the bill in 60 days, they might not close their plants. The bill would have that kind of effect, even if the results of its passage did not take effect in 60 days.

There are plans already completed by communities under the existing law. Plans completed amount to $299,618,857. Those are plans drawn up in accordance with existing law, to be held on the shelf, to be used under conditions now confronting us.

Mr. BUSH. Is the Senator saying none of those plans would be proceeded with and would mature without passage of the bill?

Mr. FULBRIGHT. Some of them might. The evidence is quite plain that 4⅝ percent is too high an interest rate for most communities to pay. One would have to be a really bad credit risk to have to pay that high an interest rate. There is no doubt the interest rate is the principal inhibitor. All the evidence is clear on that point.

Mr. BUSH. It is not very clear so far. We need a little time to study the evidence. I do not think it is clear at all.

Mr. FULBRIGHT. Mr. President, if I may, I shall continue with an explanation of the bill, which we have really covered, but I should like to make a statement for the RECORD.

Fifth. The bill would revise provisions of existing law, which, until recently, have resulted in loans almost exclusively for construction of water and sewer systems, thereby making almost every kind of State and local public work eligible.

Sixth. It would increase the authorization for Federal planning advances from $48 million to $98 million.

Seventh. It would direct the HHFA Administrator to conduct a study of the extent to which additional public facility loan funds may be necessary, and to report his findings to the Banking and Currency Committees of the Senate and the House of Representatives within 60 days after enactment.

While large-scale Federal public-works programs, such as the development of rivers and harbors, flood-control projects, highways and Federal buildings, make great contributions to our economic well-being, so also can State and local projects such as public streets, sidewalks, roads, bridges, waterworks, parking lots, recreational facilities, hospitals, sewer systems, fire-protection facilities, schools, libraries, and so on. Undoubtedly, as a result of war, inflation, and credit restraints there is a great backlog of need for these facilities.

As desirable as large-scale Federal public works are, and even though planning may be complete, I question whether they can have as immediate an effect as many smaller local public projects such as those I have described. Large-scale works require time for the assembly of large numbers of professional, managerial, and working people, large amounts of material and money, transportation facilities, and equipment. Many smaller projects can be put into operation immediately, with smaller problems of organization, if financing is ready. Because of the greater number of them, however, they can have a great revivifying effect upon the total economy.

The Federal Government for many years has had programs to assist State and local governments and their political subdivisions in the planning and financing of such facilities. Various Government agencies in the past have participated in this responsibility. Some of the loan programs which were formerly administered by the RFC have been continued, along with other programs of other agencies, in the Community Facilities Administration, a constituent unit of the Housing and Home Finance Agency. This Administration is existing, active, and operating, with offices and programs throughout the United States.

The same agency also administers a program of "advances for public works planning." This program was reenacted by the Housing Act of 1954. Section 702 of that act stated that the purpose of the program is to "encourage municipalities and other public agencies to maintain at all times a current and adequate reserve of planned public works the

construction of which can rapidly be commenced, particularly when the national or local economic situation makes such action desirable."

Projects with an estimated construction cost of almost $300 million have been planned and are ready for construction. This does not include projects with construction costs in much greater volume which have been planned without Federal assistance and are also ready for construction.

The commencement of many local public works projects would have an immediate effect upon employment in the areas where construction will occur. The increased purchasing power stimulated by this additional employment will automatically create a demand for goods and services provided by other sectors of the economy. The encouragement of these local public works projects could be justified solely on the grounds that new water systems, sewer systems, hospitals, school buildings, and similar public works are desperately needed in most sections of the country. This justification is reinforced by the knowledge that encouragement of this building would strengthen many sectors of a weakening economy.

By providing additional funds, at lower rates of interest, to launch these projects, the Federal Government can make a quick and fruitful investment in the general health and welfare of the Nation.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter, together with a resolution, which I received from Donald M. Oakes, city manager of the city of Grand Rapids, Mich., and also a lengthy telegram from Mr. Arthur Levitt, comptroller of New York State. I call my colleagues' attention particularly to both of these communications, which set forth in clear and very persuasive language the need for this proposed legislation and the fact that advantage would be taken of it—justifying, in other words, the statements which I have just made regarding the need for legislation of this character.

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

CITY OF GRAND RAPIDS, MICH.,
March 26, 1958.

Hon. J. W. FULBRIGHT,
United States Senate,
Washington, D. C.

DEAR SENATOR FULBRIGHT: I am enclosing a copy of a resolution passed by the Grand Rapids City Commission on March 25, 1958.

It approves, in principle, your bill S. 3497 entitled "The Community Facilities Act of 1958."

We feel that there are many projects in which the city of Grand Rapids would have interest and which probably would be expedited if your bill or similar legislation were enacted into law.

Sincerely yours,

DONALD M. OAKES,
City Manager.

Whereas Senator FULBRIGHT and 13 other Senators have introduced Senate bill 3497 entitled "The Community Facilities Act of 1958," which provides for a $2 billion revolving fund, from which the Community Facilities Administration of the Housing and Home Finance Agency can make loans to States and local governments for the construction of essential public works and public facilities; and

Whereas this bill provides in part that loans could be made to local governments directly or in cooperation with other lending agencies at an interest rate of not more than one-fourth of 1 percent over the rate paid by the Treasury, which would at the present time mean loans at 3 percent; and

Whereas such a revolving fund could prove to be beneficial to the city of Grand Rapids in lower interest rates for any future public works and public facilities: Now, therefore, be it

Resolved, That this commission go on record favoring the aforementioned proposed legislation and also favoring any other similar legislation which is or may be proposed in the House of Representatives, and that the city clerk be and he is hereby instructed to forward a copy of this resolution to Senator FULBRIGHT, Representative GERALD R. FORD, JR., and the American Municipal Association.

R. STANTON KILPATRICK,
City Clerk.

ALBANY, N. Y., *March 28, 1958.*

Senator J. W. FULBRIGHT,
Chairman, Senate Banking and Currency Committee, Senate Office Building, Washington, D. C.:
(Attention: J. H. Yingling, chief clerk, Senate Banking and Currency Committee.)

In response to your invitation, I am sending you my comments on S. 3497, the bill now pending before your committee which would expand the loan program of the Community Facilities Administration by providing for the purchase of $2 billion of bonds and other obligations of municipalities and other political subdivisions at low interest rates. The funds would be used by cities, towns, villages, school districts, and other types of public bodies to finance the construction of projects pursuant to local statutes.

In my opinion, such a broad loan program by the Federal Government would serve to stimulate the construction industry on a nationwide basis and would have a vast impact upon the manufacture of all the various component items which will be needed to supply materials for such a huge construction program.

There is a huge backlog of public construction projects which exists in virtually every community. These include schools, hospitals, public buildings, parking lots, public recreational facilities, and many other types of projects.

Employment in many of those communities most severely affected by the current recession would be aided by the starting of projects which local governments can handle with their plans which have previously been prepared and are now on a backlog basis.

This program would not be costly to the Federal Government since the legislation will provide for the purchase of municipal securities of sound value. They will be repaid by public bodies out of revenues and taxes.

The loan program provided by the bill should also act as a cushioning factor in the present period of stressing the municipal bond market, and should serve to hold down interest rates on all tax-exempt bonds by providing a large fund for the purchase of certain bonds which would otherwise be floated on the general market.

I would like to express my appreciation for this opportunity to give you my thoughts on this legisation.

ARTHUR LEVITT,
Comptroller of New York State.

Mr. FULBRIGHT. Mr. President, I yield the floor.

WELCOME TO CURED CANCER CONGRESS OF AMERICAN CANCER SOCIETY

Mr. HILL. Mr. President, it is my great privilege today to welcome to the Senate of the United States a group of men, women, and children who are living testimony of the great progress that has been made in the control of cancer during the past decade.

These good people from all parts of the United States have had the dread experience of being stricken with the disease that takes a greater toll of life of our citizens than any other.

But, happily and fortunately, these good people have survived the ordeal which has been fatal to so many others, and they come to visit us today as the Cured Cancer Congress of the American Cancer Society. Their visit to Washington marks the beginning of the annual campaign of the American Cancer Society to enlist the American people in the cancer crusade.

The American Cancer Society has long been the partner of the Federal Government in the great and challenging problem of the cause and cure of cancer. Just as we in the Senate appropriate funds for cancer research each year, so, in a parallel effort, does the American Cancer Society raise funds from the general populace for the same purpose, and together the two efforts, well coordinated and complemented by private industry, move toward their common purpose.

The science of chemotherapy in cancer is the best example of how this three-pronged approach works. The Government, private industry, and the American Cancer Society are presently engaged in a coordinated crash program to test some 42,000 new chemicals each year in laboratories across the country. About 16 compounds are now in clinical use. They do not cure, but they do prolong life and relieve pain, often enabling thousands of cancer patients to lead useful, fairly normal lives. Only a few months ago came news of great importance. Massive doses of one of the new drugs have for the first time apparently succeeded in completely suppressing one rare type of cancer.

Virology and immunology are important new research fields. Nobel Prizewinner Dr. Wendell Stanley holds that viruses provide the clue to cancer control. His work, and that of many other distinguished scientists, is based on the hypothesis that viruses cause most, if not all, types of cancer. Virology is one of the many significant research areas supported by the American Cancer Society.

Yes, research is moving ahead on many fronts. But there is another and not less important factor—people. Never has any population been so well informed about a disease and so active in the fight for conquering it as is true of the American people. A leader in all this is the American Cancer Society, which, through research, service and education, wages an unrelenting battle against cancer. Two million Americans,

men and women in every walk of life—doctors, housewives, businessmen, professional workers, factory workers, industrialists—are banded together as dedicated volunteers of the American Cancer Society. They do the work. They will be satisfied with nothing less than total victory.

The goal of the American Cancer Society is threefold:

One, to save all the lives that can be saved within the limits of our present knowledge. This means the lives of 75,000 Americans who died needlessly each year through fear, neglect, delay.

Two, to find cures for every type of cancer.

Three, and finally, to find cancer preventitives, so that no man, woman or child will ever have to know the fear and pain of cancer.

Cancer strikes in 2 out of 3 American families. It can strike in any home, at any time, and at any age. Few people realize that it is the No. 1 disease killer of our children. And it has, also, orphaned more children than we like to contemplate. There are today more than than 300,000 children in the United States who have lost either a father or mother to cancer. In too many cases the parent they lost did not have to die. Early detection and treatment could have saved them.

We cannot have too much research, because we cannot get a cancer cure too soon. Each day gained means 700 lives saved. For this is the rate at which Americans are dying of cancer—700 a day, 365 days a year. This is why we need more and more research supported both by Government and by the American Cancer Society. And this is why we also need the Society's life-saving service and education programs.

We thank the Cured Cancer Congress for honoring us with their visit. They are an inspiration to those who sometimes despair at the magnitude of the cancer problem. They will inspire the American people to a greater participation than ever in the Cancer Crusade and I am confident that their example and their experience will give hope and confidence to millions of their fellow citizens.

Mr. HUMPHREY and Mr. NEUBERGER addressed the Chair.

Mr. HILL. I yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. I rise only to express a word of personal thanks and gratitude to the senior Senator from Alabama for his dedicated and inspiring leadership in the field of health care and health facilities. It is a wonderful thing to have a life identified with a great cause—a cause in which there is accomplishment and success.

The distinguished senior Senator from Alabama is known throughout America for his work in behalf of people who need health care. The Hill-Burton Act for hospital construction I feel sure will go down in American history as one of the truly great programs of public works dedicated to the health needs of the American people.

The Senator from Alabama has been a tower of strength in the field of legislation to promote medical research. I cannot help noting that my former and beloved seatmate to my right in this Chamber was the late distinguished and beloved Senator from West Virginia, Matthew Neely, and many times as I sat in the Chamber alongside of him I would hear him whisper to me of the great work the Senator from Alabama was doing in the field of health research. All of us know the late Senator from West Virginia was one of the original sponsors of legislation to provide research funds in the field of cancer. I believe I am correct in saying that dread disease struck him down, but it had a fight on its hands, believe me.

I am delighted that today we are honored in Washington by a visit from those who have conquered the disease—the cured cancer patients. As the Senator from Alabama has said, there is reason for hope and rejoicing because great discoveries are being made. Because of dedicated, sacrificial work of our doctors, our scientists and our technicians—those in industry, in Government and in private life—we are making literally giant strides toward conquering this terrible disease.

I am sure it will not be long before we have announcements of great discoveries such as we had in the field of polio research. When that day comes, the Senator from Alabama and those associated with him on the Committee on Appropriations and the Committee on Labor and Public Welfare can really feel they have done the Lord's work, and have really contributed.

I cannot help adding, as I conclude, that it is not often a State has two such distinguished Senators as those who represent Alabama. One, the junior Senator from Alabama [Mr. SPARKMAN], has made his mark in the field of housing. The other, the senior Senator from Alabama [Mr. HILL], has made a glorious mark in the field of health and education. I salute both Senators, and compliment them.

Mr. HILL. I thank the distinguished Senator from Minnesota for his most kind and generous words. I appreciate them, particularly as coming from him, because I do not know of any Senator who has been busier in the good work of the Lord than has the Senator from Minnesota. There has been no battle on this floor against disease, and no battle for the health of the American people, in which the Senator from Minnesota has not been a valiant warrior, waging relentless warfare in the cause. No Senator has fought harder, more persistently, or more faithfully for the health of the American people than has the distinguished Senator from Minnesota.

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

Mr. HILL. I yield.

Mr. NEUBERGER. I should like to associate myself with what my friend from Minnesota has said about the wonderful, continuous, and original work done by the great Senator from Alabama in the field of human health.

Yet, I feel that there is a group of people who have done more than anybody in public life to try to reach, if possible, the goal of a cure for the dreadful group of diseases known as cancer. I refer to the people who are visiting in Washington this week. Somehow, within themselves, they have had the inner strength and resourcefulness to enable them to carry on, despite the fact that they have been stricken with cancer. It seems to me that they are the people who, first, encourage others to believe that there is some hope, and secondly, that those afflicted with cancer must have the ingenuity and forethought to seek medical attention at once when symptoms are first noticed, while yet there is time.

I have a relative who is a cured cancer patient. He was stricken with it in 1940, nearly 2 decades ago. When I am with him, I always marvel that a person has the courage to carry on in his daily life when each little symptom, each twinge of pain, may mean that the killer has returned, this time permanently.

My admiration for the real valor—and I do not use the word lightly—in those who have been able to carry on despite the grim verdict given to them by a doctor that they have cancer is simple beyond anything words can convey.

Earlier, the able Senator from Alabama mentioned the number of children who have lost their parents through cancer. All I could think of was a little opposite, and somewhat different, side of this tragic picture. The Senator from Alabama and I share a great friend in Dr. Sidney Farber, who has been a leading researcher and doctor in the study of cancer, not as it affects the parents of the children, but as it affects the children themselves.

I do not think my wife and I ever had a more moving experience than we had last summer, and again in January, when we visited the Children's Cancer Research Foundation in Boston, where Dr. Farber has under treatment for cancer more than 350 children. I remember how shocked we were to learn something that we had never before realized, namely, that cancer kills more children under the age of 14 than any other single disease; and how startled we were to learn further from him that cancer killed six times as many children as polio in the last year before the discovery of polio vaccine by Dr. Jonas Salk.

I am sorry to have talked for so long, but this is a subject which easily carries a person away. I have been grateful for the experience I have had during each of the 3 years I have served on the floor of the Senate, when the Senator from Alabama presented to the Senate requests for appropriations for the National Institutes of Health, and in particular the National Cancer Institute. I cannot think of any more useful and urgent activity in which a Senator could engage.

Cancer can strike Senators as well as other individuals. The Senator from Minnesota [Mr. HUMPHREY] emphasized the recent death of our beloved colleague, Matthew Neely. If I am not mistaken, the late Senator Arthur Vandenberg, the late Senator Robert A. Taft, and the late Senator Kenneth Wherry were all victims of cancer.

Mr. HILL. Also the late Senator Brien McMahon.

Mr. NEUBERGER. I did not know that.

When the Senator from Alabama exercises his leadership on the Appropriations Committee, and every year, through great effort, persistence, and ingenuity, raises funds for the National Cancer Institute, he is doing something not only for mankind in this country, but for mankind all over the world.

Recently we have been discussing the propaganda victories scored by the Russians in the field of nuclear weapons. However, if through the appropriations recommended by the Senator from Alabama, there should be developed in America, by means of research in chemotherapy, a cure for the malignant diseases known as cancer, that would be a thrilling propaganda victory, the effect of which would be felt through every single byway and village in the world.

I hope the Senator will forgive me for taking so much of his time.

Mr. HILL. Mr. President, I thank the Senator from Oregon for his words. He reminds us that he has been a Member of this body for only 3 years. They have been 3 potent years, if for no other reason than that he has been very active in behalf of the welfare of the people and the progress of our country. If he had done nothing else than to give the support he has given in the battle against disease, and for the health of the people, that alone would have made him distinguished.

The Senator from Oregon has been on the floor day after day, and before committees of Congress, waging the battle for the health of the people. I am glad he paid the tribute he did to those good people in the gallery who have fought the fight against cancer and have won it. As the Senator from Oregon has so well pointed out, it was their courage, their resolution, and their faith which enabled them to win that battle. I rejoice that they are present today, and I hope that because of their presence their example may shine more brightly before the people of the United States, and challenge all of our people to wage the same relentless battle against cancer.

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

Mr. HILL. I yield.

Mr. IVES. First, I wish to pay tribute to the distinguished senior Senator from Alabama. During all the time I have been a Member of the Senate—almost 12 years—I have been a member of the committee of which he is now the chairman. He was a member of that committee before I was.

I know of the great work he has done in this particular field, and I know how devoted he is to it. I do not believe that any tribute that might be paid to him would be too high.

However, I wish to say a word regarding the dread disease of cancer. I do not believe any one of us, or any family in the United States, has been immune to the effect, in some manner, of this awful disease. My own family has been hit several times. We all know what it is. We all dread it.

So today I wish to pay tribute to the group in the galleries who have overcome the terrible scourge which has afflicted the American people.

Yesterday I had the honor and pleasure of having my picture taken with a delegation from New York. I wish to say to those in the galleries, in this particular group, that by coming here they are encouraging us, because we are also devoted to the great crusade which has as its objective the cure of cancer. It gives us courage to have you here today, in the capacity in which you are present.

We are a part of the crusade in which you are engaged. We shall continue the fight; and, God helping all of us—and I am sure He will—one of these days we shall conquer cancer.

Mr. HILL. Mr. President, the distinguished Senator from New York has demonstrated his great interest in the battle against cancer, and his devotion to the fight against disease in general, and in behalf of the health of the people, not only during the years he has been a member of the legislative committee which handles legislation in the field of health, namely, the Senate Committee on Labor and Public Welfare, but also as a member of the Appropriations Committee. Last year he joined the ranks of the Appropriations Committee, and sought and received appointment to the subcommittee of the Appropriations Committee which handles all the appropriations in the field of health. He is now waging the battle in the field of appropriations, as for years he has been waging the battle in the field of legislation.

Mr. KNOWLAND. Will the Senator yield?

Mr. HILL. I yield to my friend, the Senator from California, the distinguished minority leader.

Mr. KNOWLAND. I wish to join in what has been said. First of all I wish to join in paying tribute and honor to the distinguished senior Senator from Alabama. It has been my privilege to serve with him for many years on the Committee on Appropriations, and for a long period of time I have had the honor of alternating with him in the chairmanship of the subcommittee which he so ably heads at this time. We have been associated for many years in the effort that is being discussed here.

I also join in paying tribute to those once afflicted with cancer, but now cured, who are in Washington today. It is certainly an inspiration to the country, as well as to Congress, to note the work that is being carried on in this field, in which the Federal Government and many local governments and private hospitals and private organizations, along with great research centers, are cooperating in a common effort to find a cure for the dread disease—cancer.

We are making progress. As a member of the Joint Committee on Atomic Energy I feel that we are on a threshold of new horizons in this field, which will be a great boon to mankind. It is of tremendous help to have in Washington persons who have been cured of cancer, as showing what progress has already been made and what our hopes are for the future.

Mr. HILL. I thank the Senator from California, the distinguished minority leader. Whether as chairman of the subcommittee of the Committee on Appropriations which handles appropriations for research in the fight against disease and to promote the health of the people, or as a member of the subcommittee, through the years he has been in the thick of the fight, waging the battle against disease and for more research work, so that there may be found the cause and cure of disease, and thereby one day enable us to win the battle against cancer, have a healthier and stronger and better citizenship.

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

Mr. HILL. I yield to my colleague from Alabama.

Mr. SPARKMAN. I wish to join my colleagues who have spoken on this subject. I certainly wish to join in paying a well deserved tribute to my colleague, the distinguished senior Senator from Alabama. Everyone knows of his leadership in this cause throughout the years. As has been previously mentioned, it goes without question that there will go down in history as one of the great legislative enactments of all time the Hill-Burton Hospital Act. I wish to express my appreciation to my colleague for having noted the presence in the Gallery of persons who have had cancer but who have it no more. It seems to me that that means a great deal to all of us. They are a demonstration of the fact that cancer can be cured. In the past cancer has been largely thought of—and it is even today thought of generally throughout the country—as incurable. It is not incurable. The group in the Gallery are a living demonstration of the fact that cancer is curable.

Reference has been made several times to Biblical expressions, in connection with the work being in the service of the Lord. I invite my colleagues' attention to another Biblical expression: "The fields are white unto the harvest." It is applicable in connection with the work which is being carried on, and ought to be carried on, with enthusiasm and with hope and with optimism against the great scourge of cancer.

Mr. HILL. I thank my colleague from Alabama. He, too, has been in the thick of the fight. He, too, has been a valiant soldier, waging the battle against cancer and against disease and for the American people.

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

Mr. HILL. I yield to the Senator from Michigan.

Mr. POTTER. I join my colleagues in commending the distinguished Senator from Alabama for his observations today on the fight which is being waged and the fight which must continue to be waged against disease, particularly cancer.

One of the most inspiring assignments I have had since I have become a Member of the Senate has been as a member of the Subcommittee of the Committee on Health, Education, and Welfare under the chairmanship of the senior Senator from Alabama. Before that committee appear representatives

of institutions of health, who testify before us with respect to scientific research which is being done in the field of disease. It is a great educational experience. It gives one a strong feeling of hope for the future. It is inspiring to know that within a very short time a breakthrough will be made in the dread disease of cancer. If we spent as much money on research in connection with cancer as we spent on research, for example, in the military field, or if we spent even one hundredth as much, I am confident we would make many breakthroughs.

So far as leadership in the world is concerned, I am sure that we would be making a greater contribution to the world by a breakthrough in cancer, which is the kind of development that will save mankind, than we could possibly make by the launching of a satellite.

Therefore I say to my distinguished friend from Alabama: "I tip my hat to you for a fight that has been well carried on. Knowing of your dedication to this field of endeavor, great results will be accomplished."

Mr. HILL. My distinguished friend from Michigan is a member of the subcommittee of the Committee on Appropriations which handles appropriations for research in behalf of health and against disease. There is no one on that committee and no one in the Senate who has devoted himself more assiduously or given more freely of himself to the fight against cancer and to the fight against disease in general and for the health of the American people than has the distinguished Senator from Michigan. He is, as we know, a disabled veteran, and his courage and his resolution and his faith have been a constant source of inspiration to all of us.

Mr. POTTER. I thank the Senator.

Mr. HILL. I now yield to the distinguished former chairman of the subcommittee which handles appropriations in the fight against disease and for the health of the American people. Before he speaks I wish to say that we could have no finer chairman or anyone more devoted to the cause than is the former chairman of the subcommittee, the Senator from Minnesota [Mr. THYE].

Mr. THYE. Mr. President, after the kind remarks of the distinguished Senator from Alabama, the chairman of the subcommittee which deals with Health, Education, and Welfare appropriations, perhaps I should content myself with thanking him for his words of commendation. I wish, however, to join my colleagues in paying tribute to the distinguished Senator from Alabama for the work he has done in the health field, not only as it relates to specific appropriations, but also as the author of the Hill-Burton Act, which has made possible hospital construction throughout the land.

I have served for some time on the subcommittee which handles health and education appropriations, and therefore I can, with the utmost sincerity, speak in high commendation of the chairman of that subcommittee, the Senator from Alabama.

He has known the need of increased appropriations in the field of research. Because the funds have been made available, we have attracted some outstanding scientists to work in that field. Once we direct the mind of a scientist toward that field and provide him with research facilities, such as laboratories, he is forever reaching out and coming closer to the goal of achievement, which is the eradication of the terrible scourge of cancer. During this week we give thought to those who have been cured of this dread disease, we think in terms of what has been accomplished, and we contemplate what we need to do in the future.

I am confident that no funds could be appropriated or spent more wisely than those needed for research into the fields of health and the welfare of the individual.

Mr. HILL. I thank the Senator from Minnesota, who was formerly the chairman of the subcommittee. I am sure he will agree with me that it has not been entirely the work of the chairman or the leader, but that it has been teamwork which has made it possible to accomplish whatever results may have been obtained. He, as the former chairman and leader, I am sure will agree with me that there has been teamwork among all Members of the Senate, who have worked together to procure the increase in the funds needed for research and the warfare against disease, so as to improve the health of the people.

Mr. THYE. The Senator from Alabama is entirely correct. It has been the teamwork of Members of Congress, of scientists, of doctors, and of laymen who have appeared before the committee, that has made possible the splendid record of achievement, and has enabled us to concentrate upon perfecting the necessary legislation and to explain it to the citizens of the Nation. There has been teamwork beginning with the people back home and continuing through the legislative process.

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

Mr. HILL. I yield.

Mr. PAYNE. I commend my colleague, the distinguished senior Senator from Alabama, first for the excellent statement he has made to the Senate, and, second, for both his reference to the distinguished visitors who are with us and also for his untiring efforts in behalf of hospital facilities which are needed throughout the Nation and for the funds which are necessary to enable greater research efforts to be carried on in the overall field of health.

I think my colleague knows that in my own area of New England a Jimmy Fund has been established to undertake research into the care and treatment of youth.

It is interesting to note that that particular activity happened to center around a young lad named Jimmy, from my own State. I am happy to say that as a result of the treatment and care given him when, as a very little boy, he was stricken, he has now grown to young manhood and is serving in a very useful and gainful occupation in his community.

Furthermore, the Boston Braves undertook the overall promotion of the Jimmy Fund and had remarkable success until, unfortunately, they transferred their activities from Boston to Milwaukee, where they became the world's champions last year. When the Braves left Boston, their work was taken over by the Boston Red Sox, who have carried it on. Ted Williams and the owners of the Red Sox, together with theater operators throughout New England, have been promoting the funds necessary for the work. Through that activity, much has been done to lay the foundation for improving the methods for the care and treatment, at the center in Boston, of the youth of the Nation, and even some who have come from foreign lands.

It was my privilege yesterday to have my picture taken with a lad from Maine. He happens to be a very close, longtime personal friend of mine. His brother is one of the top officials of the Boston Red Sox. So all the activities have tied together to enable the work to be done successfully.

Again I commend the senior Senator from Alabama [Mr. HILL]. His name, whether he knows it or not, is a byword in almost every home throughout my native State of Maine because of the extraordinary efforts he has expended to improving health, to provide hospital construction, and to do other things which pertain to that field. He is welcome to come to Maine any time he wishes and to see for himself what has been wrought.

Mr. HILL. I thank the distinguished Senator from Maine for his most kind words. I congratulate him and the fine people of Maine, whom he has the honor to represent, in part, upon the creation of the fund about which he has told us. They have set a splendid example to the people of all the other States of the Union. In the fight against disease and in the efforts to improve the health of the American people, there has been no more loyal, devoted, and valiant a fighter than the senior Senator from Maine.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

STIMULATION OF RESIDENTIAL CONSTRUCTION—MESSAGE FROM THE PRESIDENT (S. DOC. NO. 86)

The PRESIDING OFFICER (Mr. LAUSCHE in the chair) laid before the Senate the following message from the President of the United States, which was read, and referred to the Committee on Banking and Currency:

To the Congress of the United States:

I have today approved S. 3418, an act to stimulate residential construction.

Several of its provisions will promote a higher level of economic activity through

acceleration of housing construction. The temporary extension of the World War II veterans' loan guaranty program, the more liberal terms of FHA insured mortgages, the repeal of the unworkable discount controls on guaranteed and insured mortgages, the limited authority to adjust interest rates on military housing mortgages to market conditions, and the additional authority for mortgage purchases under the Special Assistance Program of the Federal National Mortgage Association pursuant to my specific designation, are timely additions to our present authorities and are consistent with administration proposals. They can be used at once to supplement forward steps already taken to stimulate construction.

However, the legislation ignores the responsibility and ability of private enterprise to function without imposing a direct burden on the Federal purse. It has been the fixed policy of this administration, and should be the consistent purpose of the Federal Government, to seek in every way to encourage private capital and private investors to finance in competitive markets the myriad activities in our economy, including housing construction. This legislation contains provisions that are wholly inconsistent with that policy and with the philosophy of the free enterprise system that has made this Nation strong. By not permitting the interest rate on VA guaranteed home mortgages to be fully adjusted to actual market conditions, and by requiring purchases of these mortgages at par by the Federal National Mortgage Association, the legislation provides in effect for substituting $1 billion of Federal financing for financing by private investors. This means that a wholly unnecessary burden of up to $1 billion will be added at this time to the already heavy load upon the taxpayers of the country. Moreover, this same action on the interest rate and certain additional provisions of the act will, in the case of direct loans to veterans in rural areas, make it extremely difficult for the Voluntary Home Mortgage Credit Program—again private financing—to become effective, thereby causing an additional, and completely unnecessary, drain on the Treasury of the United States.

The American people expect their Government to act in every proper way to foster the resurgence of the economy. But they also expect their Government to preserve the integrity of principles and programs that have served us well. In acting for today we should not forget tomorrow. This is the plain duty of us all.

I again call upon the Congress promptly to enact legislation providing interest rates for VA guaranteed and direct loans sufficiently flexible to assure private participation, and eliminating the par purchase requirements on Government mortgage purchases, so that the taxpayers will not be called upon to do what private investors should, can, and will do—so that in this field our free enterprise system may have the fullest opportunity to work.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 1, 1958.*

LOWER RIO GRANDE REHABILITATION PROJECT—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read and ordered to lie on the table:

To the Senate of the United States:

In compliance with the request contained in the resolution of the Senate (the House of Representatives concurring therein), I return herewith S. 2120, an act to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, Mercedes division.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 1, 1958.*

IMPORTANCE OF THE ADDITION OF THE MILWAUKEE-MARINETTE ROUTE TO THE INTERSTATE HIGHWAY SYSTEM

Mr. WILEY. Mr. President, the Interstate Highway System Construction Act, which is now under consideration in a Senate-House Conference Committee, will provide our Nation with the finest network of roads in the world. Their commercial potential and value as modern arteries for use by tourists can hardly be measured at this time.

However, the citizens of Wisconsin, who are paying their full share of the costs of this Highway System, are being, speaking very frankly, shortchanged in the case of the amount of the Highway System in their own State. Approximately 500 miles of the proposed 41,000-mile Interstate Highway System will be located in Wisconsin. This, I believe, is not fair. In keeping Wisconsin's part of the Interstate System to this relative minimum, the Bureau of Public Roads has, in particular, overlooked one of the major areas of need for highway improvement. I refer to the route between Milwaukee and the Sault Ste. Marie Canal.

As I stated in the Senate on March 17, it is of great importance that an adequate highway system be carefully coordinated with the Great Lakes-St. Lawrence Seaway. Within the next few years, traffic in the eastern shore area of Wisconsin and the adjoining area of Michigan will increase manyfold. The seaway will bring greatly expanded world trade to harbor cities located along this waterfront area. For example, the city of Marinette, Wis., has excellent harbor facilities for virtually the largest ships which will use the seaway. At least four major trucklines serve Marinette. There is considerable industrial activity in the Marinette area, and undoubtedly it will expand as world commerce grows.

It will be futile to bring expanded commerce to this area by way of the seaway if there are not adequate facilities to move merchandise to and from the port cities.

Existing highways throughout the area are inadequate for even present heavy transportation needs. With the expected expansion of commercial use, a logjam would undoubtedly be created, seriously deterring the expeditious movement of traffic.

Another area which is on the route to which I refer is the Fox River Valley, in Wisconsin. It is a fast-growing industrial area. An interstate highway route passing through the Fox River Valley would bring this vital manufacturing area many hours closer to Chicago and to the Sault Ste. Marie Canal, in upper Michigan.

At the other end of the proposed route lies Milwaukee, one of our Nation's major centers of industry and transportation. This addition to the Interstate System would logically tie the northern section of Wisconsin's eastern shore to Milwaukee, so that commerce from Michigan, Marinette, the Fox River Valley, and other areas affected would have access, not only to the Milwaukee market, but also to other branches of the Interstate System.

Mr. President, let me say here, parenthetically, that a few minutes ago the distinguished Senator from Maine [Mr. PAYNE] referred to the Milwaukee Braves. When he spoke about the Milwaukee Braves, he spoke about a real team. However, as someone has said, when the Braves quit eating pork and beans and began to eat Wisconsin cheese and began to drink Wisconsin milk, they really "went to town." [Laughter.]

Mr. President, in emphasizing the commercial uses of this road, we must not overlook the fact that it will also serve thousands of tourists who frequent northern Wisconsin for their vacations. One of the major purposes of the Interstate System is to assist the average motorist who wishes to get from one portion of the country to another and to avoid heavy traffic.

From Milwaukee to Menomonie is a distance of only 180 miles. I believe that the Bureau of Public Roads would be seriously remiss if it did not include in the new Interstate System this relatively small stretch of vitally important highway.

The purpose of the Interstate Highway System is to prepare for the future, as well as to provide for the present.

I suggest that in the Nation there are few areas which have a potentially greater rate of increase in traffic than the one I am discussing.

I have sent to the Federal Highway Administrator a letter in which I urge him to reconsider the matter of including this route in the Interstate System.

The Wisconsin State Highway Commission, headed by its able chairman, Harold Plummer, has written to the Federal Highway Administrator a letter in which he is urged to reconsider the Bureau of Public Roads' omission of this route from the Federal Interstate Highway System. I believe that the logic of the State Commission's reasoning will be readily recognized by all who have an opportunity to study this matter.

Mr. President, I send to the desk the letter which the Wisconsin State Highway Commission sent to the Bureau of

Public Roads. I ask unanimous consent that the letter be printed at this point in the RECORD, as a part of my remarks.

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

STATE HIGHWAY COMMISSION
OF WISCONSIN,
March 25, 1958.

Mr. B. D. TALLAMY,
Federal Highway Administrator,
United States Bureau of Public Roads, Washington, D. C.
(Through Mr. R. H. Paddock, district engineer in Wisconsin.)

DEAR MR. TALLAMY: The State Highway Commission of Wisconsin, believing that certain mileage of the National System of Interstate and Defense Highways authorized to be designated by the Federal-Aid Highway Acts of 1944 and 1956 remains to be designated (and believing that a less than equitable mileage of interstate highway routes was designated in the State of Wisconsin), herewith requests that the United States Department of Commerce, Bureau of Public Roads, designate and authorize establishment of an Interstate System route extending from Milwaukee, Wis., to Marinette, Wis., and Menominee, Mich., a distance of approximately 180 miles, and presents herewith factual data in support of such request.

Such a route, with its connection in Michigan, was a part of the strategic network of principal traffic routes of military importance approved by the Secretary of War.

Such a route was included in the studies of the National Interregional Highway Committee which led to the creation of the National System of Interstate Highways by the Federal-Aid Highway Act of 1944. Such route was included in the 78,800-mile system studied and the 48,300-mile system, but was dropped out of the subsequent lower-mileage systems as studied by the committee. In the Interstate System as later approved, such route was omitted.

The facts are these:

1. The locks at Sault Ste. Marie are one of the most vital defense areas. Chicago is another. There is no Interstate System direct route between them. In the spirit of the Congress which added the words "and Defense" to the National System of Interstate and Defense Highways, Wisconsin requests that such route be added.

2. The Great Lakes, as the St. Lawrence Seaway project is completed, will be opened to ocean shipping. The lake States will become inland ports. In the interest of closer integration between sea transportation and highway transportation, the Interstate System will need a route serving the areas in proximity to the ports on the west shore of Lake Michigan.

3. The Fox River Valley in Wisconsin is the site of many essential industries. Its manufacturers are growing rapidly and its population increases are impressive. An Interstate System route northerly from Milwaukee would bring these vital industries several hours closer to Chicago and to Sault Ste. Marie.

4. The planned growth and further development of the vast area in Wisconsin and Michigan north of Milwaukee and east of the twin-cities of Minneapolis and St. Paul is evidenced by the planning, construction, and opening of the Mackinac Bridge. An Interstate System route such as Wisconsin now requests would correlate advantageously with the planning for this entire area.

5. Northern Wisconsin and Upper Michigan are superb vacationlands. An Interstate System routing such as Wisconsin suggests would bring these areas half a day nearer to the rest of the Nation.

6. Such an Interstate System route as Wisconsin requests north of Milwaukee is already a part of the Interstate System south of Milwaukee to Chicago. It is such an important segment of the Interstate System that Illinois is building its section as a toll road in order to get it done even faster than Interstate System financing would permit it to be built as a freeway. The Wisconsin section is of equal urgency and the State is concentrating a big share of its Interstate System money on early construction. The entire route south of Milwaukee County will be under contract this calendar year. The route north of Milwaukee is of such similar importance that the State, with primary Federal aid, is in the process of providing dual roadways, planned access and interchanges for 114 miles.

In the light of these facts which show a development beyond all expectations or considerations given at the time the master plan for the Interstate System was first proposed nearly two decades ago, Wisconsin respectfully requests an additional route for the National System of Interstate and Defense Highways between Milwaukee, Wis. and Menominee, Mich.

Very truly yours,
HAROLD L. PLUMMER,
Chairman.

ECONOMIC CONDITIONS

Mr. GOLDWATER. Mr. President, during the last 2 or 3 months, since the present session of Congress opened, we have been treated on the floor of the Senate and across the Nation to a series of dire forecasts of what would happen to this country unless the Federal Government expanded its activities in the field of economics.

Mr. President, we have heard many proposals for speedups in public works. We have, in fact, today, before the Senate a bill which calls for the expenditure of $1 billion. We are being asked on the floor of the Senate to spend the taxpayers' funds to the extent of $1 billion by acting, within the space of a few hours, on the important measure which is before the Senate. It is not only billions of dollars that are wrapped up in the public works, but the American principle of free enterprise.

If we are going hurriedly to assume that this country is in such terrible shape that a simple measure like cutting taxes would not bring it out of whatever slump it might be in, then I say we are only putting off the day of reckoning. When these billions have been expended, should we again find ourselves in an economic slump, we would have to appropriate additional billions. It would only be a matter of time before we spent the Republic into bankruptcy. It would only be a matter of time until, by taxing the people to such an extent as to cause them to lose their initiative and drive, we would destroy that which has made America the mighty power it is.

I believe we should heed the lessons of history. We would do well to ponder the carved saying at the entrance to the Archives Building, which Senators read as they drive by: "What is past is prolog. Study the past."

It is a very peculiar coincidence, but back in 1954 the country was beginning to experience what some economists said would be a recession. We heard many Democratic orators say that we were headed for disaster, that we were going to suffer a depression. We hear the same persons saying the same thing today.

I was asked to address the New York Rotary Club that year. I thought it might be an interesting thing to relate to businessmen of New York what we were able to do with our first experiment with Government props. So I asked the Joint Committee on the Economic Report, of which I was then a member, to make a study to show what had happened between 1933 and 1939. I wish to read a few paragraphs from that speech, which I made more than 4 years ago in New York City, when we were in conditions pretty much similar to those we are in today. I quote from that speech:

The tabulation prepared for me by the Joint Committee on the Economic Report shows that in the years of 1933 to 1939, inclusive, slightly over 51 percent—

I emphasize that—

slightly over 51 percent of our national budget went into the servicing of these stabilizers. Briefly, this is broken down as follows: Relief and work relief, $13 billion; public works $5½ billion; and aids to agriculture, slightly over $6 billion. This totaled just under $25 billion, which, as I have said, was a little over half of the entire Federal budget for that period, which was between 49 and 50 billion dollars.

Departing from the speech which I made in 1954, it took us 7 years to spend $50 billion. We have improved on that. We can now spend $50 billion in 7½ months.

I continue reading from my 1954 speech:

Now I would say that that was giving these stabilizers a very liberal test of their powers and abilities. Not only was the Government generous with moneys to provide these stabilizers every chance to work, but also we find, on further inspection, that these funds averaged approximately 5.7 percent of the national income for that period.

Let's peek a little further into this record of history and see what really did happen as a result of this expenditure of public moneys. These results are rather astounding in their revelation of failure to accomplish the desired results, and they can well be heeded by those who now cry for the Government to step in and try it again.

Mind you, Mr. President, this was 4½ years ago.

Continuing from my speech:

First of all, these props were supposed to get people back to work. Did they do that? Well, here is what happened in the employment field. In 1933, there were 11,800,000 unemployed, and, after 7 years and nearly $25 billion, there were still 9½ million people in this country not working.

The following figures are indices, which were prepared for me by the Joint Committee on the Economic Report, and do not represent amounts in dollars or persons.

For instance, let us see what happened to the gross national product during those 7 years. Using 1932 as the base year—because I think we will all agree that it was the bottom year of the depression—we will assign to it the index of 100.

In 1929, the index based on the current dollar was 178, but, after 7 years of the application of Government remedial medicine, the index for the gross national product had only returned to 157.

Industrial production has always been a good barometer for our economy, so let us see what happened in that field. Again, using 1932 as the base year of 100, we dis-

cover that 1929 would carry an index of 171, but when we again scan this field in 1939, we see that it had only gotten back up to 159.

I was talking about the situation 4½ years ago.

Another thing that we hear a lot about today is the ability of the Government to increase the per capita income by the magic of these stabilizers. Now, we have a record here that we can look at before we become too certain that all that is needed is an injection by the Government into the veins of our economic body of some adrenalin-like serum to relieve us, as businessmen, of our responsibilities under the free-enterprise system.

Let's take that tragic year of 1932 once more, and for one more time hang on it the index of 100. Having done this, let's see what 1929 looked like.

Well, it had an index of 133. Then, and here is an interesting thing—interesting because it disputes rather well what some politicians and some economists are saying to us—by 1939, after 7 years of using up over one-half of the budget each year, that index was still 133, exactly no more and no less than 1929.

Mr. President, so much for my remarks in 1954 before the Rotary Club of New York. I wanted to refer to them today, because we are engaged in an effort to ram through the Senate a bill which calls for the expenditure of a billion dollars. Yet, after careful perusal of the record, I am not convinced we need anything in this field. We need nothing but encouragement of businessmen, encouragement of communities, and encouragement of the labor force.

Mr. President, while I do not like to disagree with my administration, I sometimes have to. It is a very difficult thing for me to do, because I went forth and worked hard to have the administration elected. But, Mr. President, it disturbs me to find, on the one hand, an administration asking for encouragement of free enterprise, and, on the other hand, asking for encouragement of public works or artificial prop expenditures.

Mr. President, I do not like deficits. I am convinced the present administration does not like deficits. I like balanced budgets. I like surpluses. I am convinced this administration likes balanced budgets and surpluses.

But if the administration and the Congress have reached the point where they say, "We are going to have deficit spending, so let us make it a little greater by spending some money in the public-works field," then I have a suggestion to make to my administration. If we have reached the point where we wish to abandon hope of operating the Government in a businesslike way, instead of saying to the American people, "We are going to spend $5 billion to beautify parks, to build more trails, or erect a few buildings here and there," we should say, "We are going to take the $5 billion which we estimate will be the deficit anyway and give it to the American people in the form of an across-the-board tax reduction."

Mr. President, I am convinced from the record of this administration with regard to the tax reduction in 1954 that if we reduce taxes we will not have to wait 6 months or a year for our economy to pick up. It would pick up immediately. It would pick up because the laboring man would be able to spend more of his income, because the small-business man would be able to invest a little bit more of his profit each pear to promote the growth of his business and to hire more people, and because it would enable middle-sized business and big business to spend more money for building and expansion.

Mr. President, as I stand in this Chamber, I am convinced that while a public-works program has desirable features, such a program will take too long, and the reaction will be too small.

By an expenditure in the form of a tax reduction of the same amount of money it is proposed to spend by way of deficit financing we would create for the American people an incentive and a desire to spend the money which they have, which would result in increased business activity and redound to the benefit of the national economy.

Mr. President, I am hopeful the day is close at hand when the administration will come to the Capitol to say, "We are ready to offer a tax reduction to the people of the United States." I do not think the administration can wait much longer.

I will not argue the point about whether taxes can be inflationary today and deflationary tomorrow, because we know that can be the case.

If we have abandoned any hope of a balanced budget this year, if we have given up the idea of preventing a deficit, then I say it would be a better, a wiser, a more businesslike approach for us to say, "Let us take the money we will have to consider a deficit, and give it to the people who worked for it."

Then, as representatives of the American people, let us stop adding to the destruction of our Republic year after year after year by refusing to cut our budgets and refusing to say to the American people, "It is your initiative which has built the economy. It is your drive and your confidence in yourselves that have made America what it is today."

Let us stop saying to the people, "You have to work for the Federal Government," which has been done to the point that today nearly 30 percent of the money the people earn comes to the banks of the Potomac and in a beneficent way, as is proposed today, say, "We will give some of it back to you."

But we will give back only about 50 cents on the dollar.

I say, Mr. President, we are acting very hastily with regard to the bill before the Senate today. It is not necessarily so important to consider the billion dollars which is wrapped up in the bill, as it is to consider the principle of the thing. If we of the Senate have joined the ranks of weaklings and have become so frightened as to say that the Federal Government is the only means of helping the people of the United States, then I say, "God help America."

LIMITATION OF APPELLATE JURISDICTION OF THE UNITED STATES SUPREME COURT

Mr. BUTLER. Mr. President, I wish to take a few minutes to correct what appears to be a general misunderstanding about the amendments I have proposed to the bill S. 2646.

This is the bill introduced by the Senator from Indiana [Mr. JENNER], and now pending before the Committee on the Judiciary as its first order of business. The bill as introduced would withdraw from the Supreme Court appellate jurisdiction in five specified areas. My amendments would delete from the provisions of the bill four of the five areas, so that the bill would affect the appellate jurisdiction of the Supreme Court only in the field of State control of the question of who may become officers of the States' courts, through admission to the State bar.

Newspaper stories about my amendments, Mr. President—and there have been many of them, I am happy to say—frequently treat the amendments as attempts to reverse particular Supreme Court decisions. This is not the case with respect to any of the four amendments which I have suggested, and it is to this point I wish to address myself.

There have been in the past, Mr. President, bills introduced in this body which did seek to reverse specific Supreme Court decisions. I believe the famous tideland bill was a case in point. The Supreme Court had decided against certain particular litigants—they were States of the Union, but they were litigants in that case—and the tideland bill had the purpose of giving to those litigants what the Supreme Court decision had denied them.

The Supreme Court had denied them what they considered to be a right. Later a bill which had the effect of reversing that particular decision was introduced and passed by the Congress and signed by the President.

None of my proposals in connection with the bill S. 2646 would have such an effect.

It is true that each of my proposals addresses itself to a situation arising from a particular Supreme Court decision or particular decisions. However, the approach which I have taken, and which is embodied in each of these amendments, is to accept the decision as it stands, and to seek the enactment of new legislation which would clarify the situation for the future in line with the intent of the Congress.

Thus, while I am in a very real sense seeking to cure certain undesirable results of these decisions, I am not seeking to reverse any of them. The amendments which I have proposed would have no effect upon the rights of any of the litigants involved in the particular cases. Furthermore, not only am I not seeking to "reverse" any Supreme Court decisions; in at least one instance, the amendment I propose is one which represents legislation suggested initially by the Supreme Court itself; and in every instance, my proposal is entirely consonant with complete acceptance of the decision to which it relates.

I propose an amendment of the present criminal contempt statute applicable to witnesses before Congressional committees, so as to define pertinency. In the Watkins case, the Supreme Court ruled that a witness was entitled to

know with certainty whether the question being asked him was pertinent, since in the criminal statute on contempt Congress had made pertinency a factor in the crime of contempt. The Court suggested that this requirement might be met by fully informing the witness of the reasons why the question was considered pertinent. My proposed amendment takes a somewhat different approach to meeting the problem, but is intended to meet it just as fully. Under my amendment, if it should become law, a witness would have absolute certainty with respect to which questions were pertinent, because my amendment would establish rules for determination of this point. First my amendment provides that if the question of pertinency is not raised by the witness at the hearing, the question must be deemed pertinent. Second, if the question of pertinency is raised by the witness, the ruling of the body conducting the hearing—that is, the particular committee or subcommittee before which the witness is appearing—is to be final on the point of pertinency. Finally, my proposal spells out what every Senator knows to be a standard rule of procedure: that is, that the ruling of the chair will stand as the ruling of the body unless reversed on appeal by the body itself.

It is easy to see that there is here no attempt to "reverse" the Supreme Court decision. On the contrary, my proposal is intended to meet the Supreme Court decision, and to provide the certainty with respect to pertinency which the Supreme Court has said is necessary.

Remember, the only reason there is a crime of contempt of Congress is that Congress has made it a crime by statute; and pertinency is a factor in that crime because the Congressional statute has made it so. Certainly Congress has every right to amend its own statute so as to provide the certainty with respect to pertinency which the Supreme Court has declared to be needed.

In the Nelson case, the Supreme Court decided that it was the intention of the Congress to preempt the field of anti-subversive legislation and that this attempt was evidenced by the enactment by the Congress of the Smith Act, the Internal Security Act, and the Communist Control Act

Mr. President, it is my personal belief that the Supreme Court was wrong about the intent of Congress. But I do not propose in my amendment to say that the Supreme Court was wrong. The position the Supreme Court took in the Nelson case was that if Congress wanted to preempt a field of legislation, it could do so, and that if Congress did not want to preempt a field of legislation, but rather wanted to leave the field open to concurrent State legislation, Congress could do that also. What I have proposed is simply that Congress by legislation make it clear—not for any past case, but for the future—that no Federal law shall exclude State legislation in the same field unless Congress specifically states its intention to preempt the field. To enact such a statute would be to eliminate a legal no man's land, to supply certainty in a field where there is now uncertainty. This is a far cry from "reversing" a Supreme Court decision.

In the Cole case, Mr. President, the Supreme Court interpreted the intent of the Congress as being to limit the Federal security program to so-called "sensitive" positions. In that decision, the Supreme Court said that if Congress had the intent of authorizing security dismissals in all positions throughout the Government, Congress could have specifically granted such authority. All that my amendment proposes is that Congress shall specifically grant such authority. This is adopting a suggestion made by the Court, not seeking to reverse the Court's decision.

In the Yates case, the Supreme Court interpret the word "organize," as used in the provision against organizing for the overthrow of the Government of the United States by force and violence, in such a way as to make this provision of no force and effect at the time it was passed, and of no force and effect at the present time. My proposal is to define the word "organize" in such a way as to give effect to this provision in the future. There will, of course, be no retroactive effect, since this is a criminal statute.

Also in the Yates case, the Court construed the existing provision of the Smith Act with respect to the teaching and advocacy of the overthrow of the Government by force and violence as not embracing any teaching and advocacy which did not involve incitement to action. What I have proposed is that Congress declare by legislation its intent to forbid the advocacy and teaching of the overthrow of the Government of the United States by force and violence without regard to the immediate probable effect of such action. What I have proposed is wholly in line with the accepted psychological fact that since there is no way of telling when mental acceptance of the desirability of dangerous action may come into fruition in the action itself, the very implantation of the desirability of dangerous action is itself a danger. I am confident that it is wholly within the competence of the Congress to enact such a statute. But it cannot be said that I am seeking to reverse a Supreme Court decision. The decision of the Supreme Court in the Yates case was based upon the statute which is now on the books. What I am proposing is an amendment of that statute; and, of course, since we are dealing with a criminal statute, no such amendment could possibly have any effect upon the Supreme Court's decision in a particular case under the existing law.

It may well be, Mr. President, that no Members of this body have been confused by the general misunderstanding, in many newspapers, of exactly what my proposals are intended to do. However, I wished to clarify this subject for the record; and I hope that newspapers which have printed stories based on the misunderstanding to which I have referred will be careful to portray the situation accurately in any subsequent stories which they may publish about my proposed amendments to S. 2646.

Mr. President, I now turn to another subject.

The PRESIDING OFFICER. The Senator from Maryland has the floor.

TAX RELIEF FOR SMALL BUSINESS

Mr. BUTLER. Mr. President, on March 4 I introduced a bill, S. 3394, to amend the Internal Revenue Code of 1954. This measure is intended to aid small business and to help restore prosperity in this country through the encouragement of private enterprise.

During recent weeks many proposals have come before the Senate which involve additional Government spending and a further dependence upon the Government rather than private initiative. President Eisenhower said:

> The course of our huge, complex economy mainly depends upon what individual citizens do—upon their creativity, their productivity, their initiative and enterprise, and the millions of economic decisions which they freely make each day. The proper relation of Government to the growth and vigor of such an economy must necessarily be to stimulate private production and employment, not to substitute public spending for private spending, nor to extend public domination over private activity.

Vice President NIXON has commented that relying entirely on the public works approach to stimulate the economy is "too slow, too uncertain and potentially ineffective," and that it "proved inadequate" to end unemployment during the depression of the 1930's.

All of us are concerned with the problems of small business.

Most of the measures which have been submitted provide for financial assistance in the form of loans from the United States Treasury.

The most imperative need of small-business enterprise is additional equity investment rather than additional debts which must ultimately be repaid. Most small businesses would be in a position to secure needed credit from normal banking sources if they could secure additional equity capital.

The bill which I have introduced provides that anyone making an equity investment in small business during the limited period of 1 year shall receive a credit against his income tax of 20 percent of such investment. This should make it possible for many small-business enterprises to secure funds which would otherwise not be available. The bill purposely limits the tax relief to a period of 1 year so that the investment will be made now when it will be of maximum benefit in stimulating the economy.

Many of the spending proposals which are before the Congress, if approved, would involve long delays before Government money would actually be spent. This bill is designed to make it possible for private individuals to make their own decisions and to spend the money now when it will do the most good. My faith in private enterprise is so great that I believe we have very little to lose and much to gain by providing a special incentive for such investment in this critical period.

CALL OF THE ROLL

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

The PRESIDING OFFICER. The Secretary will call the roll.

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

Aiken	Goldwater	Mundt
Allott	Gore	Murray
Anderson	Green	Neuberger
Barrett	Hayden	O'Mahoney
Beall	Hennings	Payne
Bennett	Hickenlooper	Potter
Bible	Hill	Proxmire
Bridges	Hoblitzell	Purtell
Bush	Holland	Revercomb
Butler	Hruska	Robertson
Byrd	Humphrey	Russell
Carlson	Ives	Saltonstall
Carroll	Javits	Schoeppel
Case, N. J.	Johnston, S. C.	Scott
Case, S. Dak.	Kefauver	Smathers
Chavez	Kennedy	Smith, Maine
Church	Kerr	Smith, N. J.
Cooper	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Dirksen	Lausche	Talmadge
Douglas	Mansfield	Thurmond
Dworshak	Martin, Iowa	Thye
Ellender	Martin, Pa.	Watkins
Ervin	McClellan	Wiley
Flanders	McNamara	Williams
Frear	Morse	Yarborough
Fulbright	Morton	Young

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

COMMUNITY FACILITIES ACT OF 1958

The Senate resumed the consideration of the 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.

Mr. KNOWLAND. Mr. President, as I stated earlier today, in my colloquy with the distinguished acting majority leader, the Senator from Montana [Mr. MANSFIELD], the pending bill was reported from the committee only last night; no Member of the Senate had an opportunity to read the report until this morning. The bill involves $1 billion, and it also involves some broad questions of public policy.

Mr. President, I believe that, from the point of view of sound legislative procedure, the Senate and its Members should have more opportunity to study the proposed legislation and to discuss the matter with the residents of the municipalities in their State and with others.

Therefore, Mr. President, for the reasons I have stated, and under rule XXII, I move that the further consideration of Calendar 1457, Senate bill 3497, be postponed to a day certain, namely, Monday, April 14.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

Mr. KNOWLAND. Mr. President, on that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I shall suggest the absence of a quorum; but first I seek recognition.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Is the motion to lay on the table debatable?

The PRESIDING OFFICER. The motion to lay on the table is not debatable.

Mr. MANSFIELD. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

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

Aiken	Goldwater	Mundt
Allott	Gore	Murray
Anderson	Green	Neuberger
Barrett	Hayden	Payne
Beall	Hennings	Potter
Bennett	Hickenlooper	Proxmire
Bible	Hill	Purtell
Bridges	Hoblitzell	Revercomb
Bush	Holland	Robertson
Butler	Hruska	Russell
Byrd	Humphrey	Saltonstall
Carlson	Ives	Smathers
Carroll	Javits	Smith, Maine
Case, N. J.	Johnston, S. C.	Smith, N. J.
Case, S. Dak.	Kefauver	Sparkman
Chavez	Kerr	Stennis
Church	Knowland	Symington
Cooper	Kuchel	Talmadge
Cotton	Langer	Thurmond
Curtis	Lausche	Thye
Dirksen	Mansfield	Watkins
Douglas	Martin, Iowa	Wiley
Dworshak	Martin, Pa.	Williams
Ellender	McClellan	Yarborough
Ervin	McNamara	Young
Flanders	Morse	
Fulbright	Morton	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing on the motion of the Senator from Montana [Mr. MANSFIELD] to lay on the table the motion of the Senator from California [Mr. KNOWLAND] to postpone until April 14 further consideration of S. 3497, the Community Facilities bill.

The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND (when his name was called). On this vote I have a pair with the majority leader, the Senator from Texas [Mr. JOHNSON]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. THURMOND (after having voted in the negative). On this vote I have a pair with the Senator from Mississippi [Mr. EASTLAND]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I withdraw my vote.

Mr. MANSFIELD. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Washington [Mr. JACKSON], the Senator from Texas [Mr. JOHNSON], the Senator from Masschusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from North Carolina [Mr. SCOTT] are absent on official business.

I further announce that the Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the interparliamentary conference as a delegate representing the Senate.

I further announce that if present and voting the Senator from Pennsylvania [Mr. CLARK], the Senator from Delaware [Mr. FREAR], the Senator from Washington [Mr. JACKSON], the Senator from Louisiana [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from North Carolina [Mr. SCOTT], would each vote "yea."

On this vote, the Senator from Washington [Mr. MAGNUSON], is paired with the Senator from Ohio, [Mr. BRICKER]. If present and voting, the Senator from Washington would vote "yea" and the Senator from Ohio would vote "nay."

The Senator from Massachusetts, [Mr. KENNEDY] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Massachuetts would vote "yea" and the Senator from Kansas would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent because of illness.

The Senator from Nevada [Mr. MALONE] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

On this vote, the Senator from Ohio [Mr. BRICKER] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Ohio [Mr. BRICKER] would vote "nay" and the Senator from Washington [Mr. MAGNUSON] would vote "Yea".

The Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Kansas would vote "nay," and the Senator from Massachusetts would vote "yea."

The result was announced—yeas 36, nays 41, as follows:

YEAS—36

Anderson	Hayden	Murray
Bible	Hennings	Neuberger
Carroll	Hill	Proxmire
Chavez	Holland	Revercomb
Church	Humphrey	Robertson
Cooper	Johnston, S. C.	Russell
Douglas	Kefauver	Smathers
Ellender	Kerr	Sparkman
Ervin	Mansfield	Stennis
Fulbright	McClellan	Symington
Gore	McNamara	Talmadge
Green	Morse	Yarborough

NAYS—41

Aiken	Dirksen	Morton
Allott	Dworshak	Mundt
Barrett	Flanders	Payne
Beall	Goldwater	Potter
Bennett	Hickenlooper	Purtell
Bridges	Hoblitzell	Saltonstall
Bush	Hruska	Smith, Maine
Butler	Ives	Smith, N. J.
Byrd	Javits	Thye
Carlson	Kuchel	Watkins
Case, N. J.	Langer	Wiley
Case, S. Dak.	Lausche	Williams
Cotton	Martin, Iowa	Young
Curtis	Martin, Pa.	

NOT VOTING—19

Bricker	Eastland	Jenner
Capehart	Frear	Johnson, Tex.
Clark	Jackson	Kennedy

Knowland	Monroney	Scott
Long	O'Mahoney	Thurmond
Magnuson	Pastore	
Malone	Schoeppel	

So the motion to lay on the table was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the motion of the Senator from Illinois [Mr. DIRKSEN] to reconsider.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, this is an unusual procedure, and I must say that the way of the strawboss is hard, indeed. I wish the distinguished minority leader had seen fit to put this power play into operation while the distinguished majority leader was on the floor and in charge of proceedings. However, under the circumstances, all one can do is one's best.

I should like to point to the fact that ample notice was given to the Senate by the leadership that the community-facilities bill would be brought up for consideration before the Easter recess.

I should like to say also that yesterday I discussed with the distinguished minority leader the question of bringing up the bill. I wished to see if we could not come to an agreement to call the Senate into session at 10 o'clock this morning. The distinguished minority leader, the able Senator from California, stated that there was to be a meeting of Republican leaders at the White House, and he thought a 12 o'clock convening would be most appropriate. I agreed.

The Senate convened at 12 o'clock today. I saw the minority leader about that time, and indicated that I would like to bring up the community facilities bill at the earliest possible opportunity. We came to a tacit agreement that 2 o'clock would be a good time, because by that time the Republican conference—I believe that is the proper name—would have concluded its business, luncheon would be over, and Members could return to normal.

About 10 minutes after 2, during the course of a quorum call, the minority leader was good enough to come to me and tell me the results of the meeting. I discussed the subject with the distinguished chairman of the committee, the Senator from Arkansas [Mr. FULBRIGHT] and made some comments on the floor at that time.

I had been hoping that during the course of the afternoon we would be able to consider some of the amendments which had been bruited about as amendments to be offered; but to date, to the best of my knowledge, no amendment is before the Senate.

I point out that I have acted in good faith. I have acted honestly, and I hope honorably. I have tried to carry out the responsibilities of the position which I happen to occupy temporarily at present.

I invite the attention of Senators to the fact that just before the motion of the Senator from California was made—I had no advance knowledge of it, and there was no reason why I should have—I went to the minority leader and asked him if it would be agreeable to him to consider a limitation on debate, to go into effect tomorrow, with 1 hour on each amendment and 1 hour on the bill itself. He very courteously stated that he did not think that was the thing to do.

I do not like to be caught off guard at the last minute, any more than does any other Member of this body. I am sure the distinguished minority leader would not like to be caught in an embarrassing position, either. However, I invite the attention of Senators to the fact that, as long ago as March 12, the distinguished majority leader gave notice that the bill would be considered before the Easter recess. I also bring out the fact that since that time, on March 20, the distinguished chairman of the committee [Mr. FULBRIGHT] had the following to say:

> One of the first statements made by the administration witness in commenting upon my bill—shortly after 2 p. m.—was that the bill was unnecessary because the President had directed him to ignore existing policy restrictions and to proceed at full steam to approve projects already contemplated by congressional authorization. To sum up the situation, I introduced a bill to accelerate economic recovery and the President immediately reacted by making available funds which he has had available since 1955—3 years before the current emergency became a political liability for the Eisenhower administration.

In all fairness, it seems to me that this last-minute tactic on the part of the minority leader and the minority representation in this body is a trick which I do not think will react upon them in any way which will be of benefit to them.

I wish that something had been said several days ago, or several weeks ago, so that I would not be placed in the unenviable position I now occupy.

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

Mr. MANSFIELD. I am delighted to yield.

Mr. KNOWLAND. Let me say to the distinguished Senator from Montana that there has been no trick played on either the Senator, who is acting as majority leader, or upon the Senate.

It is obvious that no one could have gone to him 2 weeks ago, because we had no way of knowing what kind of bill would come from the committee, or in what form it would be.

Let me say to the distinguished Senator that, as I pointed out to him earlier in the day, it was not until this morning that a single Member of the Senate had available a copy of the bill.

I have not charged any lack of good faith on the part of the Senator from Montana in scheduling the proposed legislation or asking that it be considered; but I certainly do not believe that, by any implication, the distinguished acting majority leader should charge bad faith on the part of Senators on this side of the aisle. We are a body of 96 Senators, representing 48 sovereign States of the American Union. Each of us has a responsibility. One of the responsibilites under our constitutional form of government is to legislate. If we are to legislate, we must at least have the opportunity to be properly informed.

I do not believe it is proper legislative practice to proceed with undue haste to consider a bill dealing with more than $1 billion of the funds of the American people, a bill with respect to which not a single Senator received a copy of the report until this morning. I did not see a copy of the report until I returned from the White House at 12 o'clock noon today.

I do not believe that my request was unreasonable. Before any motions were made, as the Senator has very courteously pointed out, I went to him and suggested that, in view of the circumstances which I related, consideration of the bill should be postponed for a short while. I spoke to the acting majority leader personally at first. He opened the colloquy on the floor, to develop a situation which I was prepared to develop myself.

Under the circumstances I had hoped that the acting majority leader would have permitted consideration of the bill to be postponed. Under all the circumstances related I do not believe that is an unreasonable request.

I must say that I resent the suggestion that there has been a trick, in view of the fact that approximately half the Members of this body have deep convictions with respect to this method of legislating.

I did not feel that an unreasonable request had been made. Under those circumstances, this was one of the courses of action which was open to us under the rules of the Senate.

I believe that all Senators—particularly those on this side of the aisle—should be interested in protecting the views of the minority. They may be a minority, but they have the right to present their views, and to take adequate time to do so.

Mr. MANSFIELD. Mr. President, I should like to withdraw the use of the word "trick." It was unintentional. I did not mean it in the connotation in which the distinguished minority leader took it.

However, it was my understanding, on the basis of a talk with the minority leader yesterday, that the Senate would take up the community facilities bill today.

As of 12 o'clock noon today, it was still my understanding that at 2 o'clock the Community Facilities Act of 1958 would be laid before the Senate and become the pending business.

At 10 minutes past 2 o'clock, as I have previously indicated, the minority leader came to me, in his usual courteous and fairminded manner, and explained the situation. Therefore, I thought it was incumbent upon me to take the floor of the Senate to explain my position.

There has been some talk about Members not being able to learn very much about the bill. I admit that the report was not available until some time this morning. There has been some talk about Senators not being conversant

with the bill. The printed hearings have been available. The bill was reported from the committee by both Democrats and Republicans. It is my understanding—and I will stand corrected if I am mistaken—that one of the reasons why the bill was not reported sooner was that the ranking minority member, the Senator from Indiana [Mr. CAPEHART] was ill. Is that correct?

Mr. FULBRIGHT. The Senator is correct. The committee held a meeting last Wednesday for the purpose of voting on the bill, and the Republican members of the committee voted solidly to delay action until yesterday. They overrode my motion to proceed.

Therefore it was impossible to continue that meeting, and the committee voted to take up the bill yesterday. I certainly had no idea that the minority members would not be willing to go ahead with it today. Yesterday we had the meeting which had been postponed from Wednesday. The bill was ordered to be reported. With the use of proxies the vote was 13 to 2 to report the bill I had no idea that there would be a concerted action today to delay the bill further.

I should like to ask whether the minority leader would be willing to have the bill go over until tomorrow. The reason I propound this question is that I see no reason for delaying it for 2 weeks.

The bill deals with an existing program. There is really nothing new about it. The program has been in effect in the form of a statute ever since 1955. The changes proposed are not very difficult to understand. One may say that the difference between $100 million and a billion dollars is a substantial sum of money. That is true, but it is not very difficult to understand that difference, or very difficult for anyone to make up his mind about it. The minority may decide to vote against it. That is their privilege. I do not understand why it should be necessary, in order to read the report, to have the bill go over beyond tomorrow. If the Senator from California would be willing to have a vote on the bill tomorrow, I certainly would see no harm in having it go over until tomorrow.

To have it go over until after the Easter recess would be too long a time, and in that connection the minority leader would have to take a very grave responsibility, under the circumstances. I say that because if the bill is to have the desired effect it must be passed soon, in order that the construction, which will create jobs, can get underway, and so that plans can be made at the earliest opportunity.

If we wait much longer, the delay will destroy the whole point of passing it in the first place. To let the bill go over until a week from today would be too long, in my opinion. If the minority feel they need more time to understand the difference between $100 million and a billion dollars, and the difference between 3 percent and 3½ percent, it seems to me that it would be sufficient to have the bill go over until tomorrow.

I did not notice too strong an objection to some of the amendments which the minority proposed. In fact, we accepted practically all the amendments, and, as a result, they are incorporated in the bill. We cut in half the amount originally proposed from $2 billion to $1 billion. That amendment was accepted when it was offered by the minority. The interest rate was increased from 3 to 3½ percent. The committee accepted that amendment also. I voted against it. I believe it injures the bill. Nevertheless, in an effort to go along and to get the measure out of the committee, the committee did accept those two major amendments, which are now a part of the bill. That is not difficult to understand, it seems to me. If the minority wishes to vote down the bill, that is its privilege, of course.

Mr. MANSFIELD. The Senator from Arkansas referred to a week's delay. As I understand the motion of the distinguished minority leader, it calls for a delay of 2 weeks.

Mr. FULBRIGHT. Yes; I stand corrected in that regard. It would involve a delay of 2 weeks. To go over until tomorrow would give ample time to everyone to look at the report. It is a very simple report.

Mr. MANSFIELD. I made the proposal, informally, to the minority leader that we consider a limitation on debate tomorrow, by allowing 1 hour on amendments, and 1 hour on the bill. However, as I have already indicated, the minority leader felt that was not acceptable, and that it would not give sufficient time.

So far as we, on this side of the aisle are concerned, we are willing to go ahead and consider the measure. It is meritorious. There is nothing new about it. The program has been in effect for a good many years. The personnel is intact. The facilities are intact. The procedures are all laid out. We believe that something along the line of this bill should be done to assist the American people in this time of recession. We believe the bill represents one of the best ways in which we can help the American people in the smaller communities and in the counties, so that we can, as in the case of all emergency measures we have passed up to this date, continue to exercise our functions as Senators in a responsible and, I hope, bipartisan manner.

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

Mr. MANSFIELD. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I should like to make one further observation. So far as precedent is concerned, the bill is actually comparable with the housing bill. The Senate passed the housing bill about 2 or 3 weeks ago, and the President has signed that bill into law. Everyone is pleased with it. In that connection, too, the agency which would administer this bill is in operation, and no new agency is required. The emergency housing act merely accelerated construction work, and in that sense it is on almost all fours with this bill.

The bill we are discussing carries an interest rate that will reimburse the Treasury of the United States for every nickel it lends, and also returns a profit. The overall, average rate for all Federal borrowings at the present time is less than 3 percent. The bill carries a provision for 3½ percent, which will return all the borrowed money over a period of years, with a profit. This is not a handout; it is not a giveaway.

No one suggested any delay with respect to the housing bill. No one said he did not understand it, although it was much more complex than is the pending bill. Frankly, I did not anticipate any such request in connection with the bill we are discussing. There is nothing complicated or hard to understand about it.

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

Mr. MANSFIELD. I yield.

Mr. HUMPHREY. I was just examining the CONGRESSIONAL RECORD for yesterday, at page 5806, when the acting majority leader, the Senator from Montana [Mr. MANSFIELD], submitted to the Senate a request, as follows:

> 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.

Thereupon the legislative clerk read the title of the bill.

> 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.

Yesterday the minority leader and his assistants were present in the Senate. The acting majority leader made the request, as the RECORD shows, to bring the bill before the Senate. It was a typical unanimous-consent request, and that request was granted. Today that request has been voided by the motion to lay the bill aside.

The White House meeting this morning must have been a very interesting one. Two antirecession measures have been before the White House in recent days. One was passed by Congress, and the other is to be considered by Congress. The first antirecession measure was the farm bill, which was dealt the deathblow, or at least a stunning blow, yesterday by the President. That was by the act of the veto, which is a prerogative of the President provided by the Constitution.

The second action by the White House—there seems to be no other explanation for it, and I cannot imagine that the minority leader would consent to do something on Monday, and the next day not consent to do it—was to put to sleep, by demands upon the minority leader, the second antirecession measure, namely, the loan program for States and municipalities and other local jurisdictions.

There is a difference between the housing measure and the pending bill. The housing measure carries a higher interest rate. That, of course, may have had a little greater appeal to the White House. The measure we are discussing

carries only 3½ percent. That is one-half percent more than it should be in the first instance, but at least it is a lower interest rate than the interest rate provided in the housing measure. Let the RECORD speak for itself.

There has been a great deal of talk lately throughout the country about how the administration is going to meet the recession. At first it was denied that there was any recession at all; that it all was only a bad dream, induced by someone eating something which had upset him, and that all the problems would fade away. The problems did not fade away. They remained to plague the economy.

Then others, including the Vice President, felt that what was needed was a tax reduction bill. That got a big headline: "NIXON Recommends Tax Cut."

Then the Vice President goes to the White House, and his next comment is that there is some doubt as to whether a tax cut is needed. Then we have the statement that the way to check the recession is with a new unemployment compensation measure.

Yet the Kennedy bill, which is before the Senate, and the McCarthy bill, which is before the House, get little or no assistance from the administration. The kind of assistance they get is, in a vernacular with which we are somewhat familiar, "Nyet." They get "No."

The Senate has before it an antirecession measure which is reasonable. It is a loan program. It is not a new program. It is a program which the Government has had for years. According to its description, the bill is nothing more nor less than a measure to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency. The program will be administered by the executive branch of the Government. It will be administered by an appointee of the President. It is not a program which is a giveaway. It is a program of lending to the municipalities—and they are good for their debts. It is a program of lending for needed facilities. It is a program of lending for the construction of facilities which are planned at the local level.

But the administration says, "Look. Unemployment is not serious enough. Let us see if things cannot last 2 weeks more, until after the Easter recess. Maybe things will be better after the Easter recess."

On the 12th of April, if I am not mistaken, a new set of statistics will be forthcoming from the Government about the economy. If those statistics show any improvement, it will indeed be an abrupt about-face, because the statistics published this morning show that the economy is still in trouble.

Our friends on the minority side are loyal to the administration on this measure. I know it hurts some of them, but I think we ought to admire their qualities of sacrifice and loyalty, even when they are to the point of denying the American people an opportunity to overcome their economic troubles.

Our friends on the minority side will regret this vote, because they will have a tough time explaining to communities where there is unemployment why they dilly-dallied while Congress took a recess. Some Americans are having vacations without pay. Their unemployment compensation has run out. Congress is about to have a vacation with pay. Some folk will begin to check to see whether we are worthy of our pay. In November, some of those folk will decide. The majority of the American people will make an evaluation and will take a tabulation, and this will be one of the places which will be looked at. Make no mistake about that.

This is a reasonable, conservative, sensible measure which is being given at least a temporary sleep. But it will be resuscitated after the executive department has convinced itself that it is a good antirecession measure. The executive department is a little slow. We must not push them too fast. Maybe they are entitled, in a sense, to a little time. In a couple of weeks they will come around to thinking that perhaps this is a measure they ought to have.

Every bit of the leadership given in the antirecession program has come from Congress. Not one instance can be cited of an administration program, despite the last weekend's roundup of news.

When we look to the genesis of the antirecession program, I think it will be found that, instead of its having the characteristics of an elephant, it seems to have more of the characteristics of the emblem of the other party.

I am sorry the bill will not be considered now. Some of us think it is a good bill. I am a cosponsor of it. I regret that the committee accepted amendments to reduce the amount from $2 billion to $1 billion. A $2 billion loan program for a Nation of this size is not extravagant.

I regret that our Republican friends still insist on high interest rates. But, after all, that is within the tradition. One cannot expect too great a change in a hurry.

Mr. KNOWLAND. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. KNOWLAND. I think the people of America expect Congress to legislate in the fullest sense of the word. I remember when legislation to draft labor into the Army was being rushed through the Senate. It was a distinguished predecessor of mine, who sat in this seat and stood at this place, who raised objection to acting, without ample consideration, on a bill which would have drafted railway labor into the Army of the United States. While there may have been some criticism of him from some quarters at the moment, I believe the people of the United States respected the Senate for taking ample time to make certain that that kind of situation did not develop.

I do not think the action which I have proposed is unreasonable at all. I do not believe the people of the United States consider it unreasonable that Senators who may have some deep convictions about the expenditure of $1 billion of the people's money should point out that it is a little unusual that they should be expected to vote on the bill when the report had not been available to any of them until today, when they came to the Senate.

Of course, notice had been given. But until they had had the opportunity to read the report, very few Senators would have known whether the amount was to be $2 billion, as the bill was originally introduced by the Senator from Arkansas; whether it was to be $1 billion, the amount finally reported in the bill; whether it was to be $500 million, as contained in an amendment which I understood was to have been offered by the junior Senator from Virginia [Mr. ROBERTSON], but was rejected; or whether it was to be $250 million, or, indeed, $100 million, the amount in the housing bill, to which reference has previously been made.

The Senate is a body of some accommodation. I say that most sincerely to Senators on the other side of the aisle. I have been the majority leader of the Senate. I have never known of an instance when there was not accommodation.

I can recall when the minority leader came to me and said that because reports were not available until the morning when a bill was to be considered, and because, upon checking, it was found that a number of Senators on his side of the aisle wanted more time to consider the measure, accommodation was desired in those circumstances.

I think the accommodation which is here proposed would be in the public good. I discussed the matter privately with the distinguished and able acting majority leader. I discussed it with him before going to the policy meeting, and I discussed it again as soon as I returned to the Senate. Undoubtedly a number of Senators on this side of the aisle will support the bill, as some of them supported it in the committee. Some Senators may have amendments. Some may want to give further consideration to amendments. I do not think an unusual or an unfair request has been made.

If a majority on the other side of the aisle desire to run roughshod over a substantial minority who have some views on this subject, perhaps they may have the power to do so. But I think it is a most unusual situation in the Senate, when on numerous occasions there have been accommodations, of which many Members of the Senate have some personal recollection, that when a request is made by the minority, under these circumstances, we should not be accommodated.

I think our action in at least making a motion to postpone the consideration of the bill until April 14 was entirely in order, entirely proper, and entirely fair.

Mr. MANSFIELD. Mr. President, the motion of the Senator from California was entirely in order, was entirely proper, and in a sense was entirely fair.

The distinguished minority leader has spoken of accommodation. I know that he has been more than fair in his dealings with the leadership on this side on all occasions. But what disturbs me is the promise made by the majority leader—and I assume he spoke in behalf

of the joint leadership at that time—that this measure would be considered before the Easter recess.

I feel personally disturbed that I have not been able to keep what I thought was the word given by the joint leadership. That explains my position.

So far as the Senator from California is concerned, what he has done is proper, because he is one of the most honorable and fair-minded men I know. So far as I am concerned, I have nothing but the greatest admiration for him.

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

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

Mr. CASE of New Jersey. I appreciate the Senator's yielding to me.

Mr. MANSFIELD. The Senator has waited a long time.

Mr. CASE of New Jersey. I thank the Senator. He is most generous.

As a member of the committee, I have had an opportunity, which most of the Members of the Senate outside the committee have not had, to consider the bill with some care.

It is my considered judgment, as a result of such consideration, that the bill has very slight value, if any, as an antirecession measure. I feel that the action taken tentatively—and I think it will be confirmed—to postpone consideration until April 14 is justified. If I did not feel this way, I could not have voted as I did, despite my high regard for the minority leader.

There is very little chance that much, if any, of the work which will be done by Federal loans under the bill will be in areas which are depressed. It will not be that kind of work that will be done. There is little chance that people who are out of work in the depressed areas will get any work by reason of the passage of the bill.

Mr. President, the pending bill is not an antirecession bill of real consequence. If there was an effort made to convince the people of the country that by passing the pending bill, the Congress would add in any real way to an antirecession program, then that would be a fraud.

The pending bill has merit, not as an antirecession measure, but as a measure to enable communities which are unable, on their own, to finance such community-facilities programs, to proceed with them. But the Senate should consider that proposal on its own merits.

Mr. President, there are certain matters of proposed legislation which the Senate should consider without delay and before taking a recess.

Several days ago a number of my colleagues and I proposed that the Senate consider an unemployment-compensation bill as an antirecession measure. However, it is evident that that bill will not be considered before the recess is taken. That is a shocking situation.

Neither has there been consideration of a school bill, which on its own merits should receive prompt and early consideration.

With regard to the pending bill, to obligate funds for the purpose referred to, my concern is that this bill, good as it may be, may very well lessen the opportunities for the Congress to pass measures such as those providing for urban renewal, hospital construction, adequate public housing, and, above all, assistance to the States and communities in the case of school construction. That is why the pending measure should not be considered too hurriedly. The pending bill has slight value as an antirecession measure.

Moreover, further consideration of the pending bill might result in lessening the chances to have the Senate consider and pass important measures for public assistance, to which the Congress should give priority.

Mr. KENNEDY. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. KENNEDY. The Senator from New Jersey referred to the consideration of measures in regard to unemployment. Let me refer to the fact that last week the committee had under consideration the unemployment-compensation bill, and at that time the committee completed its consideration of the bill.

Mr. CASE of New Jersey. I understand that situation exactly, and there is no chance for the Congress to consider it prior to the Easter recess.

Mr. THURMOND. Mr. President, the pending bill is of far-reaching importance and magnitude. I opposed the effort to have the bill considered further by the Senate today. I have not yet seen the record of the hearings on the bill. That record was placed on the desks of Senators only today.

I would not oppose having the bill considered further on tomorrow. Between now and then I shall have an opportunity to study the record of the hearings on the bill; and, so far as I am concerned, by that time I shall have been able to consider the testimony which was taken on the bill.

Therefore, Mr. President, I move that the motion of the Senator from California [Mr. KNOWLAND] be amended by striking out——

The PRESIDING OFFICER. Does the Senator from Montana yield for that purpose?

Mr. MANSFIELD. I yield.

Mr. THURMOND. Mr. President, I move that the motion of the Senator from California [Mr. KNOWLAND] be amended by striking out "April 14" and by inserting "April 2, at 10 o'clock a. m.", so the bill can be considered further on tomorrow.

By means of my amendment, Senators will have an opportunity tonight to study the record of the hearings on the bill and then, on tomorrow, they will have an opportunity to debate the matter further.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina to the motion of the Senator from California.

Mr. MANSFIELD. Mr. President, I am very much in favor of the amendment of the Senator from South Carolina to the motion of the Senator from California, because the amendment fits in with the proposal which already has been made to the distinguished minority leader. When I made that proposal, I asked him to consider the possibility of having the Senate enter into an agreement limiting to 1 hour the debate on each amendment and limiting to 1 hour the debate on the bill.

Therefore, in preference to the motion which has been made by the distinguished minority leader, I hope the motion as proposed to be amended by the amendment of the Senator from South Carolina will be agreed to, with the result that the Senate will be able to act further on the bill before the Easter recess is taken.

Mr. AIKEN. Mr. President, I should like to ask the Senator from Montana whether it would be a good idea to have the bill considered further, with the understanding that no vote would be taken on either the bill or any amendments to it before a specified time tomorrow. Would not such an arrangement save some time?

Mr. MANSFIELD. If a proposal were made to limit debate, beginning, let us say, at 1 o'clock, and to allow 1 hour for debate on each amendment and 1 hour for debate on the bill, I would be agreeable to such an arrangement.

But I hope the Senate will complete its action on the bill before the Easter recess begins, in view of the commitments—whether proper or not—which were made to many Members of this body. I refer to commitments that action would be taken on the bill before the Easter recess was taken.

Mr. AIKEN. So far as I know, no town in my State has had to pay anywhere near the interest rate proposed to be authorized by the bill. So I cannot see that the bill would result in any benefit to Vermont.

On the other hand, I can see that some benefit would come to Members of Congress, if they were able to leave Washington before Saturday night. [Laughter.]

Mr. MANSFIELD. Mr. President, I appreciate the statement the Senator from Vermont has made.

Mr. KNOWLAND. Mr. President, I desire to oppose the amendment which has been proposed to my motion. Of course, the question will be debated.

I have stated the reasons why I believe a bill of such magnitude should receive further consideration. Now the matter is in the hands of the Senate.

I hope that in the future it will be recalled that a proposal to authorize the appropriation of $1 billion met with a request for the allowance of sufficient time, and that it was proposed that the further consideration of the bill be postponed until a day certain, namely, April 14. However, if the Senate wishes to decide otherwise, that is the privilege of the Senate.

Mr. SALTONSTALL. Mr. President, the Senator from Montana is a very courteous and fair-minded gentleman. He is always fair in his statements regarding the leadership.

The minority leader, the Senator from California [Mr. KNOWLAND], made the pending motion after a luncheon at which a large majority of the Republican Members of the Senate were present. I was among them. We agreed almost

unanimously to request the acting majority leader to postpone the further consideration of the bill until after the Easter recess, so there would be ample time to study the bill and to deliberate upon it.

The minority leader took the position he did at the request of a great majority of the Republican Members. Of course, at this session the Republican Members are in the minority in the Senate. At the same time, the division is a very close one.

I think the minority leader did the only thing he could do under the circumstances. He represented the opinion of the great majority of the Republican Members.

Let me say a word about my position. I read the letter which came from the Secretary of the Treasury. It is a very impressive letter, because in it the Secretary of the Treasury points out two things, namely, what would happen if the interest rate were lowered, and also the position of the cities and towns.

The pending bill requires considerable study and thought. It may be a wise bill.

Personally, I do not approve of the bill in its present form. But regardless of whether the bill is wise or is not wise, certainly the opinion of the Secretary of the Treasury should be given careful consideration.

Furthermore, as has been pointed out, the statutory debt limit of the United States probably will have to be increased again before this session of Congress ends, particularly if bills of the character of the pending one are enacted into law.

Then there is the question of how large a deficit might be created. There is also the question of whether to reduce taxes. There is also the question of whether to continue to provide for the making of incentive payments from the Federal Treasury. Those are big and very substantial questions. They involve not only the situation of today, but also the condition of the Government a year from now, and possibly the condition of the Government 10 years from now.

Such things are difficult to consider at best; and it is even more difficult to give proper consideration to a measure when the report on it is received only 2 or 3 hours before the debate on it begins. The minority leader has accurately stated that situation.

All those considerations bear on the question of whether the motion to postpone should be agreed to.

In any event, let me say that when the distinguished minority leader made his motion, he faithfully represented the decision of the great majority of the Republican Members of the Senate. In making the motion, the minority leader did the only thing he could do in representing the Republican Members of the Senate.

I believe the acting majority leader understands that situation. He, in turn, represents the Members on the other side of the aisle; and he is trying to keep a promise which was made.

However, the situation under which the agreement was made with the minority leader has changed somewhat, in view of the short time that all the Members of this great body have had to study this very important bill.

In my opinion, the problems involved by such bills are not easy to decide.

Mr. President, without prolonging the debate, I make this statement in fairness to both the acting majority leader and the minority leader.

Mr. MANSFIELD. Mr. President, I appreciate the attitude of the distinguished Senator from Massachusetts, and I appreciate the statement he has made. Had I been in his shoes, I would have acted in the same way.

I can also appreciate the position of the distinguished minority leader. Had I been in his shoes, I am sure I would have acted in the same way he did, especially in view of the overwhelming vote which led the Republican Members to arrive at the decision which has been stated.

On the other hand, I am just as certain that if the minority leader had happened to be in my shoes, he would have acted in exactly the same way that I have acted this afternoon.

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

Mr. MANSFIELD. I yield to the distinguished Senator from Illinois.

Mr. DIRKSEN. I should like to ask the acting majority leader if the House has taken action on this matter.

Mr. MANSFIELD. Not that I know of.

Mr. DIRKSEN. Is there any likelihood the House will act before the Easter recess?

Mr. MANSFIELD. No.

Mr. DIRKSEN. Then, why the hurry?

Mr. MANSFIELD. Because commitments have been made, because the committee, by a vote of 13 to 2, reported the bill, and because the Senate has time to consider the bill, which should be a bipartisan measure.

Mr. DIRKSEN. The bill cannot become law before action is taken on it by the House. The House will have to have hearings on it. So why the hurry?

Mr. MANSFIELD. Why put off until tomorrow what can be done today?

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

Mr. MANSFIELD. I yield to the Senator from Colorado.

Mr. ALLOTT. The acting majority leader said a few moments ago he believed he had acted honestly, honorably, and in good faith. I do not think there is any question about that. I hope he will know, from what I shall say, I have believed that all along. What has not been taken into consideration is the nature of the proposed legislation.

I, for one, knowing my constituents as I do, am aware that they do not expect me to see a report at noon, or, more precisely, at 2 o'clock, and in the Senate on the same day, or the next day, vote for a bill providing $1 billion. If they expected me to do that, they certainly would ask me to dig up a part of the money from my own jeans.

More than that—and I address myself particularly to the amendment of the junior Senator from South Carolina [Mr. THURMOND]—I feel this matter is of such importance that I personally think it raises innumerable questions on which I want to get answers from my State. I want to find out how many communities in my State, for example, are actually suffering from lack of financing; whether it is statutory trouble that is slowing down the projects, or whether it is economic reasons or lack of money.

Certainly, I think the same thing is true of every other Senator. If a Senator does not view the proposed legislation, first, in the light of how it affects his own constituents and his own State, and, secondly, how it affects the Nation as a whole—not necessarily in the order I have given them—then he is not representing his constituents. I think it is my duty to represent my constituents.

There has been talk about a rollcall this fall. I know there will be a rollcall. I know when the roll is called, the people of my State will look to those they have sent to Washington and ask them how they could, on one day, receive a report on a bill providing $1 billion, and vote on it the same day. I am just as strongly opposed to voting on the bill tomorrow as I am to voting on it today, because I feel it is so important that I would have to get in touch with communities in my State and learn how it would affect them, and also consider the bill in the light of the national interest.

Therefore, I shall have to oppose the amendment of the Senator from South Carolina.

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

Mr. ALLOTT. I yield to the Senator from Utah.

Mr. WATKINS. Mr. President, my position is similar to that expressed by the distinguished Senator from Colorado. I tried to get a copy of the report, and the bill itself, and had not been able to do so. Ever since I was told the bill would be coming before the Senate today I have been trying to get in touch with city and town officials at home to get answers to similar questions the Senator from Colorado has said he wanted answers to before he acted on the bill. I cannot get such answers in 2 or 3 days. I expect to go home during the so-called Easter vacation. However, I am willing to have the Easter recess postponed and have the Senate remain in session and act on measures that are so important if necessary. I did not initiate the idea of an Easter vacation.

I have identically the same problems as that of the Senator from Colorado. I wish to find out what the people who elected me, my employers, want done in this matter. I think they are entitled to tell me some of their needs, and what effect the bill would have on them. I am not willing to vote on a controversial $1 billion bill with the speed that would be required of us if the Senate were to act on it today. This measure is so important that it deserves and should have careful consideration. There is a large sum of money involved in the bill. There is now on the books a law which provides for loans of this kind, and apparently such loans have not been very popular because there are large unused balances in the funds

available for loans. Some of the cities and towns may not be willing to put construction of programs into effect right now because construction prices are too high.

It seems to me we face a very peculiar situation. There is unemployment in some areas, that is true, although in my own State it is under the national average. But prices are going up all the time when according to precedent they should be going down. That is one reason why communities may not want to enter into construction programs. I want to get answers to numerous questions that are now being raised with respect to this bill before I am required to vote on it.

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

Mr. ALLOTT. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. There are two important conference reports which should come before the Senate before the Easter recess. I have not heard any reference to those reports, in the discussion, although they may have been mentioned while we were working on one of the questions being debated. However, there are two important measures on which the Senate can conclude action. One is the conference report on the rivers and harbors and flood control bill. The conference report was concluded over the weekend. The House has taken action on it. This afternoon we have been working on the highway conference report. The conferees have completed their work. The report will be prepared sometime during the evening, I think. Sometime tomorrow, or the next day, I hope the Senate can take action on the rivers and harbors and the highway conference reports, both of which involve large sums of money, and projects which will mean work. Those are bills on which the Senate can conclude action, and I hope it will act on them before taking the recess.

Mr. MANSFIELD. The acting majority leader yesterday did discuss the matter of the conference report on the rivers and harbors bill. It was not brought up, although there was an intention to do so. The acting majority leader intends to bring it up tomorrow, and intends to get approval of the minority leader sometime this evening to have it considered.

So far as the conference report on the highway bill is concerned, this is the first indication I have had that the conferees have completed their deliberations on it and a conclusion has been arrived at. I expect to have that conference report brought up tomorrow or the next day—I hope tomorrow—after consultation with the minority leader.

Mr. CASE of South Dakota. I think the highway bill conference report will be taken up in the House tomorrow, and I believe it will be acted on. The Senate should certainly reserve ample time for considering both conference reports. The bills involve large sums of money, and there should be some discussion prior to the Senate action on them before the Easter recess.

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

Mr. ALLOTT. I yield to the Senator from New York.

Mr. JAVITS. I voted as I did wisely, and I say that advisedly. I think everyone knows me as a liberal Senator, and I believe I deserve that designation. I shall undoubtedly vote for the pending bill, and shall support it.

When Senators refer to the Easter recess, we must understand that there is involved not an individual responsibility, but a collective responsibility. I would have been perfectly willing to devote a half day tomorrow, or to work tonight on the bill, but a collective responsibility is involved. When a substantial number of Senators feel, as a substantial number evidently does feel, that they need more time to consider the bill, unless there is good reason to overrule them I do not think we have a right to stand in their way. The resolution for the recess was adopted previously, before the pending bill came before the Senate. Whatever juxtaposition of dates there may be, the resolution concerning the Easter recess was adopted several days ago.

No prejudice can really be shown. I think the Senator from Illinois [Mr. DIRKSEN] put his finger on the nub of the situation. The House of Representatives is not going to consider the public facility bill before the Easter recess. Whether the House receives the bill on Wednesday the 16th of April or whether the House gets the bill on Thursday of this week everybody in the country knows will make no difference whatever.

If we are going to talk about a comparison of recession measures, then I think the Senator from New Jersey [Mr. CASE] is absolutely correct. The highest priority should be given to measures providing help for the unemployed. No one can pretend anything else is entitled to a similarly high priority.

For that reason, Mr. President, with the greatest of deference to the acting majority leader, who is having his troubles today, for whom we all have the deepest affection and respect, I feel no real prejudice can be shown. I think when a really substantial number of Senators, in the exercise of their collective responsibility, feel that they want to defer consideration of the pending bill for a few days, or the number of days involved in this instance, it cannot be because of prejudice. I feel those Senators should have that right to exercise their judgment, even though I may not need all the time myself.

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

Mr. ALLOTT. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I thank the Senator from Colorado.

Mr. President, I voted against the motion of the Senator from California, but I feel the Senator from South Dakota [Mr. CASE] has placed his finger upon the problem. The Committees on Public Works, this body and the other body, have reported a rivers and harbors and public-works bill. The bill went to conference. The conferees have agreed, and the conference report, according to the acting majority leader, will come up for consideration tomorrow.

A conference was held this afternoon between the House and the Senate on the highway bill. The highway bill, according to Mr. FALLON, who handled the matter on behalf of the House conferees, will be brought before the House for consideration on Thursday. Therefore, it is possible for the Senate to consider two work bills, which will provide jobs all over the country. Passage of such bills will bring about construction of roads, construction of dams, construction of forest roads, and projects of that nature, if we only act on those bills before we take an Easter recess.

Mr. ALLOTT. I thank the Senator from New Mexico.

Mr. President, in concluding my remarks, I should like to say I oppose—and I shall continue to oppose on the floor of the Senate so long as I am here—such hasty consideration of any proposed legislation as that we are asked to follow on the pending bill.

I do not know what the reasons for the procedure are, but it seems to me that a great deal of legislation this year has been hastily considered. There have been bills considered to which many amendments were offered on the floor, and, what is worse, in some instances the amendments were designed to correct what should have been corrected before the bill ever left the committee.

It is unfortunate that in this case we are faced with a situation with respect to dates. Since I have been in the Senate there have not been any regular recesses by resolution of the two Houses. So far as I am concerned, I did not ask for the recess, and I want to make it perfectly clear that I am willing to remain in Washington to work on the bill, provided it is understood my own vote is going to be based upon whether I have an opportunity to study the provisions of the bill. I may vote for the bill, but I want an opportunity to investigate the matter, so that I can at least believe in my own mind and heart I have represented my constituents and voted honestly.

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

Mr. ALLOTT. I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I should like very much to subscribe to the idea of going forward tomorrow. I think, however, that the proposition has been oversimplified in the statement that all the bill would do would be to raise a lending authority of $100 million to $1 billion, change the interest rate and fix it at 3½ percent, and lift the maturity period from a permissible 40 years to a permissible 50 years.

What is involved is much graver than that. I want to know how far we have already gone in deficit spending, and what other bills are to come before us to provide for lending money. We cannot consider the bill out of context and by itself. We have to decide what the overall situation will be next September, when and if Congress adjourns.

If we are going to have a $15 billion deficit, we will have to take much more from the taxpayer and the worker than we are talking about giving him. For every dollar we give him we will have to take back $2.

To me there are involved more than the bare provisions of the bill. I should like to ask the Secretary of the Treasury, "Where do we now stand? How much less money have we taken in than was estimated by the President would be received? How much more money have we spent for military purposes than was recommended in the budget? How much have we expended by way of gifts and loans?"

Then I will be able to ask myself, "How far can I go?"

The bill involves more than a 3½-percent interest rate and the raising of the sum to a billion dollars. That is why I cannot vote to have the measure considered either today or tomorrow.

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

Mr. ALLOTT. I yield to the Senator from Connecticut.

Mr. BUSH. I should like very much to associate myself with the remarks just made by the Senator from Ohio [Mr. LAUSCHE]. There is much more involved in the bill than is written into its provisions, as the Senator from Ohio so clearly and ably points out.

We now must begin to relate these items to a consideration of our entire budget structure, and a possible inflationary gap. Passage of the bill could do far more damage to the taxpayers than the good it would do by providing assistance to municipalities to start a public-works program de novo, which probably will not get under way for many months if it gets under way at all.

The larger implications of the proposed legislation should be examined by the Senate. The Senator from Ohio is exactly correct. We must think of the bill in terms of other things we have done. We should think of it with relation to highways and with relation to burdens which may arise as a result of the passage of other bills. We should relate it to requirements of the housing bill and defense matters, to which the Senator has referred.

I also can subscribe, to some extent, to the views of my friend, the Senator from New Jersey [Mr. CASE], in the statement that in some of the spending we are putting the emphasis on the wrong places. I should like to see an education bill reported, such a bill as the President has sent to Congress more than once. I believe we need more emphasis on education. We need more emphasis on education than on public works or on highways. I voted against the highway bill for that very reason, as a matter of protest.

I believe we should take some time with regard to this bill, so as to be able to examine all its aspects. I very much hope the motion of the Senator from California will be sustained, so that Senators may ponder over the matter and give it the careful consideration it deserves.

SEVERAL SENATORS. Vote! Vote! Vote!

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

Mr. ALLOTT. I yield to the Senator from Utah.

Mr. BENNETT. Mr. President, today before the Senate Committee on Finance a great American, Bernard M. Baruch, made a crystal-clear statement about the basic problems we face at this time. If Mr. Baruch were a Senator facing all the implications of the bill under consideration, I think he would probably repeat some of the things he said in his statement this morning.

I understand, Mr. President, that Mr. Baruch's statement was ordered to be printed in the RECORD earlier today; otherwise I should ask unanimous consent for that purpose.

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

Mr. ALLOTT. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I wish to join in and associate myself with the views expressed by the Senator from Colorado [Mr. ALLOTT], the Senator from Connecticut [Mr. BUSH], and the Senator from Ohio [Mr. LAUSCHE], and say that my own situation with regard to the bill I think is typical of the situation of a great number of other Senators.

I am sure my situation is typical of the situation of those with whom I have talked, indeed is no different from that of most other Senators.

I had three committee meetings to attend today; two this afternoon and one this morning. I had never seen the bill until late this afternoon. I have had no chance even to glance at the report. I have not had an opportunity to sit down with a member of the committee, to ask him to brief me as to what the bill provides. The bill involves a billion dollars, as I understand, in loans over a 50-year period. To what groups and organizations the money would go I do not know.

If I had to vote this minute, I would vote "nay" on the bill, because I do not know what is in it, and I certainly will not vote on a $1 billion bill without having some idea as to what is in the bill.

I earnestly hope that consideration of the bill can be postponed until after the Easter recess. I agree with the Senator from Illinois [Mr. DIRKSEN] that there will be no faster action on the bill if it is to be considered today or tomorrow than would be the case if consideration were postponed until the 14th of April and thereafter.

I certainly hope that the Senate will not earn—and I do not believe it will—a reputation for irresponsibility in fiscal matters in this session. I believe that some thought should be given to a bill of this magnitude, especially on the part of Senators who are not members of the committee, and who have had no opportunity to learn what is in the bill.

Mr. ALLOTT. Mr. President, I thank the Senator from Iowa for his remarks. I join in them.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina [Mr. THURMOND] to strike "April 14" and substitute therefor "April 2 at 10 o'clock a. m." in the motion of the Senator from California [Mr. KNOWLAND] to postpone consideration of Senate bill 3497 to a day certain.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

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

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Were the yeas and nays ordered?

The PRESIDING OFFICER. They were not.

Mr. FULBRIGHT. I withhold my suggestion of the absence of a quorum.

Mr. KNOWLAND. I again ask for the yeas and nays.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

Aiken	Goldwater	Morton
Allott	Gore	Mundt
Anderson	Green	Murray
Barrett	Hayden	Neuberger
Beall	Hennings	O'Mahoney
Bennett	Hickenlooper	Payne
Bible	Hill	Potter
Bridges	Hoblitzell	Proxmire
Bush	Holland	Purtell
Butler	Hruska	Revercomb
Byrd	Humphrey	Robertson
Carlson	Ives	Russell
Carroll	Javits	Saltonstall
Case, N. J.	Johnston, S. C.	Smathers
Case, S. Dak.	Kefauver	Smith, Maine
Chavez	Kennedy	Smith, N. J.
Church	Kerr	Sparkman
Cooper	Knowland	Stennis
Cotton	Kuchel	Symington
Curtis	Langer	Talmadge
Dirksen	Lausche	Thurmond
Douglas	Mansfield	Thye
Dworshak	Martin, Iowa	Watkins
Ellender	Martin, Pa.	Wiley
Ervin	McClellan	Williams
Frear	McNamara	Yarborough
Fulbright	Morse	Young

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from South Carolina [Mr. THURMOND] to strike "April 14" and substitute therefor "April 2 at 10 o'clock a. m." in the motion of the Senator from California [Mr. KNOWLAND] to postpone consideration of Senate bill 3497 to a day certain. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND (when his name was called). On this vote I have a pair with the majority leader, the Senator from Texas [Mr. JOHNSON]. If he were present and voting he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Washington [Mr. JACKSON], the Senator from Texas [Mr. JOHNSON], the Senator from Louisiana [Mr. LONG], the Senator from

Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. PASTORE], and the Senator from North Carolina [Mr. SCOTT] are absent on official business.

I further announce that the Senator from Oklahoma [Mr. MONRONEY] is absent on official business attending the Interparliamentary Conference as a delegate from the Senate.

I further announce that if present and voting the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Washington [Mr. JACKSON], the Senator from Rhode Island [Mr. PASTORE], and the Senator from North Carolina [Mr. SCOTT] would each vote "yea."

On this vote, the Senator from Louisiana [Mr. LONG] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Louisiana would vote "yea" and the Senator from Vermont would vote "nay."

The Senator from Washington [Mr. MAGNUSON] is paired with the Senator from Ohio [Mr. BRICKER]. If present and voting, the Senator from Washington would vote "yea" and the Senator from Ohio would vote "nay."

The Senator from Oklahoma [Mr. MONRONEY] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Oklahoma would vote "yea" and the Senator from Kansas would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. JENNER], and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent because of illness.

The Senator from Nevada [Mr. MALONE] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

On this vote, the Senator from Ohio [Mr. BRICKER] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Ohio [Mr. BRICKER] would vote "nay" and the Senator from Washington [Mr. MAGNUSON] would vote "yea."

The Senator from Vermont [Mr. FLANDERS] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Vermont would vote "nay," and the Senator from Louisiana would vote "yea."

The Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from Kansas would vote "nay," and the Senator from Oklahoma would vote "yea."

The yeas and nays resulted—yeas 40, nays 40, as follows:

YEAS—40

Anderson	Hennings	O'Mahoney
Bible	Hill	Proxmire
Carroll	Holland	Revercomb
Chavez	Humphrey	Robertson
Church	Johnston, S. C.	Russell
Cooper	Kefauver	Smathers
Douglas	Kennedy	Sparkman
Ellender	Kerr	Stennis
Ervin	Mansfield	Symington
Frear	McClellan	Talmadge
Fulbright	McNamara	Thurmond
Gore	Morse	Yarborough
Green	Murray	
Hayden	Neuberger	

NAYS—40

Aiken	Dirksen	Mundt
Allott	Dworshak	Payne
Barrett	Goldwater	Potter
Beall	Hickenlooper	Purtell
Bennett	Hoblitzell	Saltonstall
Bridges	Hruska	Smith, Maine
Bush	Ives	Smith, N. J.
Butler	Javits	Thye
Byrd	Kuchel	Watkins
Carlson	Langer	Wiley
Case, N. J.	Lausche	Williams
Case, S. Dak.	Martin, Iowa	Young
Cotton	Martin, Pa.	
Curtis	Morton	

NOT VOTING—16

Bricker	Jenner	Monroney
Capehart	Johnson, Tex.	Pastore
Clark	Knowland	Schoeppel
Eastland	Long	Scott
Flanders	Magnuson	
Jackson	Malone	

The PRESIDING OFFICER. On this question the yeas are 40 and the nays are 40. There being a tie vote, the amendment of the Senator from South Carolina [Mr. THURMOND] is not agreed to.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Is the question now before the Senate my motion to postpone the consideration of the bill to a day certain; namely, April 14?

The PRESIDING OFFICER. The Senator from California is correct.

The question now is on agreeing to the motion of the Senator from California.

Mr. MANSFIELD. Mr. President, on that question I demand the yeas and nays.

The yeas and nays were ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

Mr. KNOWLAND. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will resume the call of the roll.

The Chief Clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Fulbright	Morton
Allott	Goldwater	Mundt
Anderson	Gore	Murray
Barrett	Green	Neuberger
Beall	Hennings	O'Mahoney
Bennett	Hickenlooper	Payne
Bible	Hill	Potter
Bridges	Hoblitzell	Proxmire
Bush	Holland	Purtell
Butler	Hruska	Revercomb
Byrd	Humphrey	Robertson
Carlson	Ives	Russell
Carroll	Javits	Saltonstall
Case, N. J.	Johnston, S. C.	Smathers
Case, S. Dak.	Kefauver	Smith, Maine
Chavez	Kennedy	Smith, N. J.
Church	Kerr	Sparkman
Cooper	Knowland	Stennis
Cotton	Kuchel	Symington
Curtis	Langer	Talmadge
Dirksen	Lausche	Thurmond
Douglas	Mansfield	Thye
Dworshak	Martin, Iowa	Watkins
Ellender	Martin, Pa.	Wiley
Ervin	McClellan	Williams
Flanders	McNamara	Yarborough
Frear	Morse	Young

The VICE PRESIDENT. A quorum is present.

Mr. KNOWLAND. Mr. President, will the Chair state the motion?

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California to postpone the further consideration of the bill until April 14. The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND (when his name was called). On this vote, I have a pair with the majority leader, the senior Senator from Texas [Mr. JOHNSON]. If I were at liberty to vote, I would vote "yea." If the senior Senator from Texas were present, he would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. JACKSON], the Senator from Texas [Mr. JOHNSON], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. PASTORE], and the Senator from North Carolina [Mr. SCOTT] are absent on official business.

I further announce that the Senator from Oklahoma [Mr. MONRONEY] is absent on official business, attending the Interparliamentary Conference as a delegate for the Senate.

I further announce that if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. JACKSON], the Senator from Louisiana [Mr. LONG], the Senator from Rhode Island [Mr. PASTORE], and the Senator from North Carolina [Mr. SCOTT] would each vote "nay."

On this vote the Senator from Washington [Mr. MAGNUSON] is paired with the Senator from Ohio [Mr. BRICKER]. If present and voting, the Senator from Washington would vote "nay" and the Senator from Ohio would vote "yea."

The Senator from Oklahoma [Mr. MONRONEY] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting the Senator from Oklahoma would vote "nay" and the Senator from Kansas would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent because of illness.

The Senator from Nevada [Mr. MALONE] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

On this vote, the Senator from Ohio [Mr. BRICKER] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Ohio [Mr. BRICKER] would vote "yea" and the Senator from Washington [Mr. MAGNUSON] would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Oklahoma [Mr. MONRONEY]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Oklahoma would vote "nay."

The result was announced—yeas, 41; nays, 39, as follows:

YEAS—41

Aiken	Dirksen	Morton
Allott	Dworshak	Mundt
Barrett	Flanders	Payne
Beall	Goldwater	Potter
Bennett	Hickenlooper	Purtell
Bridges	Hoblitzell	Saltonstall
Bush	Hruska	Smith, Maine
Butler	Ives	Smith, N. J.
Byrd	Javits	Thye
Carlson	Kuchel	Watkins
Case, N. J.	Langer	Wiley
Case, S. Dak.	Lausche	Williams
Cotton	Martin, Iowa	Young
Curtis	Martin, Pa.	

NAYS—39

Anderson	Hennings	Neuberger
Bible	Hill	O'Mahoney
Carroll	Holland	Proxmire
Chavez	Humphrey	Revercomb
Church	Johnston, S. C.	Robertson
Cooper	Kefauver	Russell
Douglas	Kennedy	Smathers
Ellender	Kerr	Sparkman
Ervin	Mansfield	Stennis
Frear	McClellan	Symington
Fulbright	McNamara	Talmadge
Gore	Morse	Thurmond
Green	Murray	Yarborough

NOT VOTING—16

Bricker	Jenner	Monroney
Capehart	Johnson, Tex.	Pastore
Clark	Knowland	Schoeppel
Eastland	Long	Scott
Hayden	Magnuson	
Jackson	Malone	

So Mr. KNOWLAND's motion was agreed to.

Mr. SALTONSTALL. Mr. President, I move that the vote by which the motion was agreed to be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California to lay on the table.

The motion to lay on the table was agreed to.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent at this time that when the Senate concludes its business tonight, it adjourn to meet at 12 o'clock noon tomorrow.

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

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, the Senate will meet at 12 o'clock noon tomorrow, and after the morning hour the Senate will proceed to the consideration of the conference report on the rivers and harbors bill.

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

Mr. MANSFIELD. I yield.

Mr. HICKENLOOPER. Does the Senator expect any more votes to be taken this evening?

Mr. MANSFIELD. No.

Mr. HICKENLOOPER. I thank the Senator from Montana.

CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 497), authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the report.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, April 1, 1958, he presented to the President of the United States 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.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, under the order previously entered, I move that the Senate stand in adjournment until noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 15 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, April 2, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 1 (legislative day of March 31), 1958:

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Lemuel Mathewson, O14980, Army of the United States (major general, U. S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Maj. Gen. Thomas Leonard Harrold, O16051, United States Army, in the rank of lieutenant general.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 1, 1958

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

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

John 3: 16: *For God so loved the world that He gave His only begotten Son, that whosoever believeth in Him should not perish, but have everlasting life.*

Eternal God, our Father, we have entered upon Holy Week, reminding us of events and experiences in the life of our blessed Lord, whose solemn and sacred significance our finite minds cannot comprehend.

Grant that we may be filled with a penitent and humble spirit as we turn to the cross to meditate upon the sufferings and sacrifice of the lowly man of Galilee, the great Captain of our salvation.

May these days be for all of us not merely a time of commemoration but of consecration when we are surrendering and dedicating ourselves anew in love and obedience to Thy divine will.

To Thy name we lift our hearts in praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

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.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 776. An act to permit temporary free importation of automobiles and parts of automobiles when intended solely for show purposes;

H. R. 5005. An act to suspend for 2 years the duty on crude chicory and to amend the Tariff Act of 1930 as it relates to chicory;

H. R. 5382. An act to amend sections 102, 301, and 302 of the Servicemen's and Veterans' Survivor Benefits Act;

H. R. 8794. An act to provide an exemption from the tax imposed on admissions for admissions to certain musical performances; and

H. R. 9240. An act to revise certain provisions of law relating to the advertisements of mail routes, and for other purposes.

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

S. 2715. An act to disestablish the Balls Bluff National Cemetery, Loudoun County, Va., and for other purposes;

S. 3050. An act to increase the equipment maintenance allowance for rural carriers, and for other purposes;

S. 3087. An act to provide for the establishment of Fort Clatsop National Memorial in the State of Oregon, and for other purposes; and

S. 3120. An act 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, Calif., for the 1958 and 1959 crops of wheat, and for other purposes.

AGRICULTURAL PRICES

Mr. HILL. 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 Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I enclose as part of my remarks a news release by the Department of Agriculture, March 28, 1958, agricultural prices:

PRICES RECEIVED, UP 11 POINTS; PRICES PAID, INTEREST, TAXES, AND WAGE RATES, UP 2 POINTS; PARITY RATIO, 87

The index of prices received by farmers increased 4 percent (11 points) during the month ended in mid-March, the sharpest increase for any month since February 1951. Nearly all commodities joined in the rise but most important were continued higher prices for meat animals. Higher prices for potatoes, fruit, and eggs also contributed substantially to the increase. The March index at 263 percent of its 1910–14 average was 11 percent above a year earlier and at its highest level since May 1953.

The index of prices paid for commodities and services, interest, taxes, and farm-wage rates (the parity index) rose 1 percent to 304 on March 15, another alltime high. Higher prices for family living and farm production goods were about equally responsible for the rise over mid-February. The March index was 3 percent higher than a year earlier.

With farm product prices rising more rapidly than prices paid the parity ratio advanced to 87, the highest since April 1955. The ratio was up 5 percent over February and 7 percent over March of last year.

The increase in farmers' net income in Colorado was 52 percent in 1957 over 1956. Other Mountain States increased their farmers' net income in 1957 over 1956 as follows:

	Percent
Wyoming	24
Nevada	18
Montana	12
Utah	10
New Mexico	2

EXTENSION OF REMARKS

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make in the consideration of the agriculture appropriation bill today, and further, I ask unanimous consent to bring into the Chamber two charts which I have prepared in order that I may use them to explain some of the data on the agriculture appropriation bill this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

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, remembering that the Government has no money tree, that if it is to provide work for anyone, it must first take earnings away from someone else who has already worked for them, in order to finance the new job, which of us feels qualified to select those to be rewarded and those to be thus penalized? An amusing story, but one which may produce rueful and self-conscious smiles in the Congress, appeared on the front cover of the current issue of the Freeman Magazine. As we argue crash Government programs aimed at offsetting even a moderate economic readjustment, like the current one, surely we would all do well to read and re-read this story:

Thomas J. Shelly, 35 years a teacher of economics and history, attempted to explain the meaning of socialism to his Yonkers High School class as follows:

"John, you made a grade of 95; and yours, Dick, was 55. I shall now take 20 points from you, John, and give them to Dick. Thus, each of you has 75, adequate for passing.

"Here I have applied the Socialist-Communist principle as set forth by Karl Marx: 'From each according to his ability, to each according to his need.'

"Now, let us examine this in practice. You, John, won't work because you have had your incentive removed. And you, Dick, won't work because you are getting something for nothing.

"We can't exist unless we work and produce. Thus, in order to get the work done, we'll need someone with a whip or a gun. Socialism must lead to authoritarian controls."

H. R. 9821

Mr. FALLON. Mr. Speaker, I ask unanimous consent that the conferees on the bill, H. R. 9821, have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. MARTIN. Mr. Speaker, reserving the right to object, and I am not going to object, when does the gentleman expect to call up the conference report?

Mr. FALLON. We may finish the conference this afternoon.

Mr. MARTIN. And would the gentleman intend to call it up tomorrow, if an agreement can be reached on it today?

Mr. FALLON. Yes; if I am recognized to do so.

The SPEAKER. The Chair would say to the gentleman from Massachusetts that the proper thing to do would be to take it up as soon as we can.

Mr. MARTIN. Mr. Speaker, the gentleman from Massachusetts is trying to find out for the information of the membership when they may expect this conference report to be called up.

The SPEAKER. The Chair will recognize the gentleman from Maryland to call up the conference report tomorrow, if the report is filed in time tonight. Is that satisfactory to the gentleman from Massachusetts?

Mr. MARTIN. I do not know whether I am satisfied, Mr. Speaker, but the information certainly is appreciated.

The SPEAKER. The Chair was only seeking to satisfy the gentleman from Massachusetts on the point of information as to when the conference report might be called up.

Mr. MARTIN. I thank the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

APPROPRIATIONS FOR THE EXECUTIVE OFFICE OF THE PRESIDENT AND SUNDRY GENERAL GOVERNMENT AGENCIES, 1959

The SPEAKER. The unfinished business is 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.

On yesterday, the House was ready to vote on the amendment upon which a separate vote was demanded. The Clerk will report the amendment.

The Clerk read as follows:

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.

Mr. HOFFMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. If a sufficient number of Members rise to require a rollcall vote on the amendment, the question can be taken on the amendment and a quorum will be established at the same time.

Mr. HOFFMAN. Mr. Speaker, I withdraw the point of order.

The yeas and nays were ordered.

The question was taken; and there were—yeas 273, nays 98, not voting 58, as follows:

[Roll No. 38]

YEAS—273

Adair	Canfield	Engle
Addonizio	Cannon	Fallon
Allen, Ill.	Carrigg	Farbstein
Anderson, Mont.	Cederberg	Feighan
Anfuso	Celler	Fenton
Arends	Chelf	Flood
Ashley	Chenoweth	Fogarty
Aspinall	Chiperfield	Forand
Auchincloss	Christopher	Ford
Avery	Church	Friedel
Ayres	Clark	Fulton
Baker	Coad	Garmatz
Baldwin	Coffin	Gavin
Barrett	Collier	George
Bass, N. H.	Corbett	Glenn
Bass, Tenn.	Coudert	Gray
Bates	Cretella	Green, Oreg.
Baumhart	Cunningham, Iowa	Green, Pa.
Beamer	Cunningham, Nebr.	Griffin
Belcher	Curtin	Griffiths
Bennett, Mich.	Curtis, Mass.	Gross
Bentley	Curtis, Mo.	Gwinn
Betts	Dague	Hagen
Blatnik	Dawson, Ill.	Hale
Boland	Dellay	Halleck
Bolling	Dennison	Harrison, Nebr.
Bosch	Dent	Harvey
Boyle	Derounian	Haskell
Bray	Devereux	Henderson
Breeding	Dingell	Heselton
Brooks, Tex.	Dixon	Hess
Broomfield	Donohue	Hiestand
Brown, Mo.	Dooley	Hill
Brown, Ohio	Dorn, N. Y.	Hillings
Brownson	Doyle	Hoeven
Bush	Dwyer	Hoffman
Byrd	Eberharter	Holland
Byrne, Ill.	Edmondson	Holmes
Byrne, Pa.		Holt
		Holtzman

Horan	Miller, Nebr.	Saylor
Hosmer	Miller, N. Y.	Schenck
Hull	Minshall	Scherer
Hyde	Montoya	Schwengel
Jackson	Moore	Scrivner
James	Morano	Seely-Brown
Jarman	Morgan	Sheehan
Jenkins	Morris	Shelley
Johnson	Moulder	Sheppard
Judd	Multer	Sieminski
Karsten	Mumma	Siler
Kearney	Natcher	Simpson, Ill.
Kearns	Neal	Simpson, Pa.
Keating	Nicholson	Sisk
Kee	Nimtz	Smith, Calif.
Kelly, N. Y.	Norblad	Spence
Keogh	O'Brien, Ill.	Springer
Kilday	O'Brien, N. Y.	Staggers
King	O'Hara, Ill.	Stauffer
Kirwan	O'Hara, Minn.	Steed
Kluczynski	O'Konski	Sullivan
Knox	O'Neill	Taber
Lafore	Osmers	Talle
Laird	Ostertag	Teague, Calif.
Lane	Patterson	Teller
Lankford	Pelly	Tewes
Latham	Perkins	Thompson, N. J.
LeCompte	Pfost	Thomson, Wyo.
Lesinski	Philbin	Thornberry
Libonati	Pillion	Udall
Lipscomb	Polk	Ullman
McCarthy	Porter	Vanik
McCulloch	Price	Van Pelt
McFall	Prouty	Van Zandt
McGovern	Quie	Vorys
McGregor	Rabaut	Wainwright
McIntosh	Ray	Walter
McVey	Reed	Watts
Macdonald	Rees, Kans.	Weaver
Machrowicz	Reuss	Westland
Mack, Ill.	Rhodes, Ariz.	Wharton
Mack, Wash.	Rhodes, Pa.	Widnall
Madden	Riehlman	Wier
Magnuson	Robison, N. Y.	Wigglesworth
Mailliard	Robsion, Ky.	Williams, N. Y.
Martin	Rodino	Wilson, Calif.
May	Rogers, Colo.	Wilson, Ind.
Meader	Rogers, Mass.	Withrow
Metcalf	Roosevelt	Yates
Michel	Rutherford	Younger
Miller, Calif.	Sadlak	Zablocki
Miller, Md.	Santangelo	Zelenko

NAYS—98

Abbitt	Fountain	Murray
Abernethy	Frazier	Norrell
Albert	Gary	Patman
Alexander	Gathings	Pilcher
Alger	Haley	Poage
Andersen, H. Carl	Hardy	Poff
	Harris	Preston
Andrews	Harrison, Va.	Riley
Ashmore	Hébert	Rivers
Beckworth	Hemphill	Roberts
Bennett, Fla.	Herlong	Robeson, Va.
Berry	Huddleston	Rogers, Fla.
Blitch	Ikard	Rogers, Tex.
Boggs	Jennings	Selden
Boykin	Jensen	Shuford
Brooks, La.	Johansen	Sikes
Brown, Ga.	Jonas	Smith, Kans.
Broyhill	Jones, Ala.	Smith, Miss.
Budge	Jones, Mo.	Smith, Va.
Burleson	Kilburn	Thomas
Byrnes, Wis.	Kilgore	Thompson, La.
Clevenger	Kitchin	Thompson, Tex.
Cramer	Landrum	Trimble
Davis, Ga.	Lennon	Tuck
Davis, Tenn.	Loser	Utt
Dowdy	McMillan	Vinson
Durham	Mahon	Whitener
Elliott	Marshall	Whitten
Everett	Mason	Williams, Miss.
Fascell	Matthews	Willis
Fisher	Mills	Winstead
Flynt	Mitchell	Wright
Forrester	Morrison	Young

NOT VOTING—58

Allen, Calif.	Denton	Healey
Bailey	Dies	Holifield
Barden	Diggs	Kean
Baring	Dollinger	Knutson
Becker	Dorn, S. C.	Krueger
Bolton	Evins	McCormack
Bonner	Fino	McDonough
Bow	Frelinghuysen	McIntire
Buckley	Gordon	Merrow
Burdick	Granahan	Moss
Carnahan	Grant	Passman
Chamberlain	Gregory	Powell
Colmer	Gubser	Radwan
Cooley	Harden	Rains
Dawson, Utah	Hays, Ark.	Reece, Tenn.
Delaney	Hays, Ohio	Rooney
St. George	Scudder	Vursell
Saund	Taylor	Wolverton
Scott, N. C.	Teague, Tex.	
Scott, Pa.	Tollefson	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rooney for, with Mr. Grant against.
Mr. Denton for, with Mr. Colmer against.
Mr. McCormack for, with Mr. Rains against.
Mr. Bailey for, with Mr. Barden against.
Mr. Kean for, with Mr. Radwan against.
Mrs. Bolton for, with Mr. Bonner against.
Mr. Becker for, with Mr. Cooley against.
Mr. Dollinger for, with Mr. Dies against.
Mr. Hays of Ohio for, with Mr. Dorn of South Carolina against.
Mr. Buckley for, with Mr. Evins against.
Mr. Holifield for, with Mr. Passman against.
Mr. Delaney for, with Mr. Scott of North Carolina against.
Mr. Healey for, with Mr. Teague of Texas against.

Until further notice:

Mr. Gordon with Mrs. St. George.
Mr. Powell with Mr. Allen of California.
Mr. Moss with Mr. Taylor.
Mr. Saund with Mrs. Harden.
Mrs. Knutson with Mr. Frelinghuysen.
Mr. Gregory with Mr. Bow.
Mr. Hays of Arkansas with Mr. Dawson of Utah.
Mr. Baring with Mr. Scott of Pennsylvania.
Mr. Carnahan with Mr. Wolverton.
Mr. Diggs with Mr. Krueger.
Mr. Burdick with Mr. McDonough.

Mr. HARRISON of Nebraska changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. RABAUT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

RIVER AND HARBOR, BEACH EROSION CONTROL, AND FLOOD-CONTROL PROJECTS

Mr. DAVIS of Tennessee. Mr. Speaker, I call up the conference report on the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1588)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"TITLE 1—RIVERS AND HARBORS

"SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public Law Numbered 14, Seventy-ninth Congress, first session), shall govern with respect to projects authorized in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

"Navigation

"Salem Harbor, Massachusetts: House Document Numbered 31, Eighty-fifth Congress, at an estimated cost of $1,100,000;

"Boston Harbor, Massachusetts: House Document Numbered 349, Eighty-fourth Congress, at an estimated cost of $720,000;

"East Boat Basin, Cape Cod Canal, Massachusetts: House Document Numbered 168, Eighty-fifth Congress, at an estimated cost of $360,000;

"Bridgeport Harbor, Connecticut: House Document Numbered 136, Eighty-fifth Congress, at an estimated cost of $2,300,000;

"New York Harbor, New York: Senate Document Numbered 45, Eighty-fourth Congress, at an estimated cost of $1,678,000;

"Baltimore Harbor and Channels, Maryland: House Document Numbered 86, Eighty-fifth Congress, at an estimated cost of $28,161,000;

"Herring Creek, Maryland: House Document Numbered 159, Eighty-fourth Congress, at an estimated cost of $110,000;

"Betterton Harbor, Maryland: House Document Numbered 333, Eighty-fourth Congress, at an estimated cost of $78,000;

"Delaware River Anchorages: House Document Numbered 185, Eighty-fifth Congress, at an estimated cost of $24,447,000;

"Hull Creek, Virginia: House Document Numbered 287, Eighty-fifth Congress, at an estimated cost of $269,800;

"Morehead City Harbor, North Carolina: Senate Document Numbered 54, Eighty-fourth Congress, at an estimated cost of $1,197,000;

"Intracoastal Waterway, Jacksonville to Miami, Florida: House Document Numbered 222, Eighty-fifth Congress, maintenance;

"Port Everglades Harbor, Florida: House Document Numbered 346, Eighty-fifth Congress, at an estimated cost of $6,683,000;

"Escambia River, Florida: House Document Numbered 75, Eighty-fifth Congress, at an estimated cost of $61,000;

"Gulfport Harbor, Mississippi: Senate Document Numbered 123, Eighty-fourth Congress, maintenance;

"Barataria Bay, Louisiana: House Document Numbered 82, Eighty-fifth Congress, at an estimated cost of $1,647,000;

"Chefuncte River and Bogue Falia, Louisiana: Senate Document Numbered 54, Eighty-fifth Congress, at an estimated cost of $48,000;

"Pass Cavallo to Port Lavaca, Texas: House Document Numbered 131, Eighty-fourth Congress, at an estimated cost of $413,000;

"Galveston Harbor and Houston Ship Channel, Texas: House Document Numbered 350, Eighty-fifth Congress, at an estimated cost of $17,196,000;

"Matagorda Ship Channel, Port Lavaca, Texas: House Document Numbered 388, Eighty-fourth Congress, at an estimated cost of $9,944,000;

"Port Aransas-Corpus Christi Waterway, Texas: House Document Numbered 361, Eighty-fifth Congress, at an estimated cost of $6,272,000;

"Port Aransas-Corpus Christi Waterway, Texas, La Quinta Channel: Senate Document Numbered 33, Eighty-fifth Congress, at an estimate cost of $954,000;

"Freeport Harbor, Texas: House Document Numbered 433, Eighty-fourth Congress, at an estimated cost of $317,000;

"Mississippi River between Missouri River and Minneapolis, Minnesota, damage to levee and drainage districts: House Document Numbered 135, Eighty-fourth Congress, at an estimated cost of $2,476,000;

"Mississippi River at Alton, Illinois, commercial harbor: House Document Numbered 136, Eighty-fourth Congress, at an estimated cost of $246,000;

"Mississippi River at Alton, Illinois, small-boat harbor: House Document Numbered 136, Eighty-fourth Congress, at an estimated cost of $101,000;

"Mississippi River at Clinton, Iowa, Beaver Slough: House Document Numbered 345, Eighty-fourth Congress, at an estimated cost of $241,000;

"Mississippi River at Clinton, Iowa, report on damages: House Document Numbered 412, Eighty-fourth Congress, at an estimated cost of $147,000;

"Mississippi River between Saint Louis, Missouri, and Lock and Dam Number 26: Senate Document Numbered 7, Eighty-fifth Congress, at an estimated cost of $5,802,000;

"Mississippi River between the Missouri River and Minneapolis, Minnesota: Modification of the existing project in the Mississippi River at Saint Anthony Falls, Minneapolis, Minnesota, House Document Numbered 33, Eighty-fifth Congress;

"Minnesota River, Minnesota: Senate Document Numbered 144, Eighty-fourth Congress, at an estimated cost of $2,539,000: *Provided,* That the channel may be extended five-tenths of a mile upstream to mile 14.7 at an estimated additional cost of $5,000;

"Vermilion Harbor, Ohio: House Document Numbered 231, Eighty-fifth Congress, at an estimated cost of $474,000;

"Ohio River at Gallipolis, Ohio: House Document Numbered 423, Eighty-fourth Congress, at an estimated cost of $66,000;

"Licking River, Kentucky: House Document Numbered 434, Eighty-fourth Congress, maintenance;

"Saxon Harbor, Wisconsin: House Document Numbered 169, Eighty-fifth Congress, at an estimated cost of $393,500;

"Two Rivers Harbor, Wisconsin: House Document Numbered 362, Eighty-fourth Congress, at an estimated cost of $66,000;

"Port Washington Harbor, Wisconsin: House Document Numbered 446, Eighty-third Congress, at an estimated Federal cost of $2,181,000: *Provided,* That local interests shall contribute 30 percent of the total cost of the project;

"Saint Joseph Harbor, Michigan: Senate Document Numbered 95, Eighty-fourth Congress, maintenance;

"Old Channel of Rouge River, Michigan: House Document Numbered 135, Eighty-fifth Congress, at an estimated cost of $101,500;

"Cleveland Harbor, Ohio: House Document Numbered 107, Eighty-fifth Congress, at an estimated cost of $14,927,000;

"Toledo Harbor, Ohio: House Document Numbered 436, Eighty-fourth Congress, at an estimated cost of $859,000;

"Irondequoit Bay, New York: House Document Numbered 332, Eighty-fourth Congress, at an estimated cost of $1,938,000;

"Santa Cruz Harbor, Santa Cruz, California: House Document Numbered 357, Eighty-fifth Congress, at an estimated cost of $1,612,000;

"Yaquina Bay and Harbor, Oregon: Senate Document Numbered 8, Eighty-fifth Congress, at an estimated cost of $19,800,000;

"Siuslaw River, Oregon: House Document Numbered 204, Eighty-fifth Congress, at an estimated cost of $1,693,100;

"Port Townsend Harbor, Washington: House Document Numbered 418, Eighty-fourth Congress, at an estimated cost of $387,000;

"Bellingham Harbor, Washington: Senate Document Numbered 46, Eighty-fifth Congress, at an estimated cost of $83,700;

"Douglas and Juneau Harbors, Alaska: House Document Numbered 288, Eighty-fourth Congress, at an estimated cost of $1,394,000;

"Dillingham Harbor, Alaska: House Document Numbered 390, Eighty-fourth Congress, at an estimated cost of $372,000.

"Naknek River, Alaska: House Document Numbered 390, Eighty-fourth Congress, at an estimated cost of $19,000;

"Cook Inlet, navigation improvements, Alaska: House Document Numbered 34, Eighty-fifth Congress, at an estimated cost of $5,199,200;

"San Juan Harbor, Puerto Rico: House Document Numbered 38, Eighty-fifth Congress, at an estimated cost of $6,476,600;

"Beach erosion

"State of Connecticut, Area 9, East River to New Haven Harbor: House Document Numbered 395, Eighty-fourth Congress, at an estimated cost of $12,000;

"Connecticut shoreline, Areas 8 and 11, Saugatuck River to Byram River: House Document Numbered 174, Eighty-fifth Congress, at an estimated cost of $229,000;

"Fire Island Inlet, Long Island, New York: House Document Numbered 411, Eighty-fourth Congress, at an estimated cost of $2,724,000;

"Atlantic Coast of New Jersey, Sandy Hook to Barnegat Inlet: House Document Numbered 332, Eighty-fifth Congress, at an estimated cost of $6,755,000;

"Delaware Coast from Kitts Hummock to Fenwick Island, Delaware: House Document Numbered 216, Eighty-fifth Congress, at an estimated cost of $28,000;

"Palm Beach County, from Lake Worth Inlet to South Lake Worth Inlet, Florida: House Document Numbered 342, Eighty-fifth Congress, at an estimated cost of $222,500;

"Berrien County, Michigan: House Document Numbered 336, Eighty-fifth Congress, at an estimated cost of $226,000;

"Manitowoc County, Wisconsin: House Document Numbered 348, Eighty-fourth Congress, at an estimated cost of $50,000;

"Fair Haven Beach State Park, New York: House Document Numbered 134, Eighty-fourth Congress, at an estimated cost of $114,000;

"Hamlin Beach State Park, New York: House Document Numbered 138, Eighty-fourth Congress, at an estimated cost of $404,000;

"Humboldt Bay, California: House Document Numbered 282, Eighty-fifth Congress, at an estimated cost of $38,200;

"Santa Cruz County, California: House Document Numbered 179, Eighty-fifth Congress, at an estimated cost of $516,000;

"San Diego County, California: House Document Numbered 399, Eighty-fourth Congress, at an estimate cost of $289,000;

"Waimea Beach and Hanapepe Bay, Island of Kauai, Territory of Hawaii: House Document Numbered 432, Eighty-fourth Congress, at an estimated cost of $20,000.

"SEC. 102. That the Secretary of the Army is hereby authorized to reimburse local interests for such work done by them, on the beach erosion projects authorized in section 101, subsequent to the initiation of the cooperative studies which form the basis for the projects: *Provided,* That the work which may have been done on these projects is approved by the Chief of Engineers as being in accordance with the projects hereby adopted: *Provided further,* That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

"SEC. 103. That pending fulfillment of the conditions of local cooperation for the Gulf Intracostal Waterway, Algiers Canal, as authorized by the River and Harbor Act of March 2, 1945, appropriations heretofore or hereafter made for maintenance of rivers and harbors may be used for operation and maintenance of the railroad bridge over Algiers Canal for the period from September 1, 1956, to December 31, 1958.

"SEC. 104. That there is hereby authorized a comprehensive project to provide for control and progressive eradication of the water hyacinth, alligator weed, and other obnoxious aquatic plant growths from the navigable waters, tributary streams, connecting channels, and other allied waters in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas, in the combined interest of navigation, flood control, drainage, agriculture, fish and wildlife conservation, public health, and related purposes, including continued research for development of the most effective and economic control measures, at an estimated additional cost for the expanded program over that now underway of $1,350,000 annually for 5 years, of which 75 percentum, presently estimated at $1,012,500, shall be borne by the United States and 25 percentum, presently estimated at $337,500, by local interests, to be administered by the Chief of Engineers, under the direction of the Secretary of the Army in cooperation with other Federal and State agencies in accordance with the report of the Chief of Engineers, published as House Document Numbered 37, Eighty-fifth Congress: *Provided,* That local interests agree to hold and save the United States free from claims that may occur from such operations and participate to the extent of 25 percentum of the cost of the additional program: *Provided further,* That Federal funds appropriated for this project shall be allocated by the Chief of Engineers on a priority basis, based upon the urgency and need of each area, and the availability of local funds.

"SEC. 105. That for preliminary examinations and surveys, authorized in previous river and harbor and flood control acts, the Secretary of the Army is hereby directed to cause investigations and reports for navigation and allied purposes to be prepared under

the supervision of the Chief of Engineers in the form of survey reports, and that preliminary examination reports shall no longer be required to be prepared.

"SEC. 106. That the improvement of Apalachicola Bay, Florida, authorized by the River and Harbor Act of 1954 in accordance with the recommendations of the Chief of Engineers in House Document Numbered 156, Eighty-second Congress; and the improvement of Apalachicola Bay, Florida, channel across Saint George Island, authorized by the River and Harbor Act of 1954, in accordance with the recommendations of the Chief of Engineers in House Document Numbered 557, Eighty-second Congress, are hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done upon the projects insofar as this work shall be approved by the Chief of Engineers and found to have been done in accordance with the projects adopted by the Act of 1954: *Provided,* That reimbursement shall be based upon the reduction, in the amount of material which will have to be removed to provide project dimensions at such time as Federal dredging of the channels is undertaken: *Provided further,* That such reimbursement shall be subject to appropriations applicable thereto and shall not take precedence over authorized Federal improvements of higher priority.

"SEC. 107. That the improvement of Pascagoula Harbor, Dog River Cutoff, Mississippi, authorized by the River and Harbor Act of 1950, in accordance with the recommendations of the Chief of Engineers in House Document Numbered 188, Eighty-first Congress, is hereby modified to provide that the Secretary of the Army shall reimburse local interests for such work as they may have done on this project, within the limits of the Federal portion of the project, over and above any items required as a part of the local cooperation for the project, insofar as the same shall be approved by the Chief of Engineers and found to have been done in accordance with project modification adopted in said Act: *Provided,* That such payment shall not exceed the sum of $44,000: *Provided further,* That such reimbursement shall be subject to appropriations therefor and shall not have precedence over authorized Federal improvements of higher priority: *And provided further,* That no reimbursement to local interests shall be made until they have met all the requirements of local cooperation in the recommendations of the Chief of Engineers in House Document Numbered 188, Eighty-first Congress.

"SEC. 108. That the Federal project structures, appurtenances, and real property of the Upper Fox River, Wisconsin, shall be disposed of in accordance with the provisions of this section: *Provided,* That all or any part of the right, title, and interest of the United States to any portion of the said property may, regardless of any other provision of law, be conveyed, upon such terms and conditions as may be advisable: *Provided further,* That, if the State of Wisconsin offers to take over said property under the terms and conditions hereinafter prescribed, the Secretary of the Army is hereby authorized to convey by quitclaim deed to said State, without monetary consideration, all such right, title, and interest of the United States in said property, and the United States shall thereafter have no further obligations with respect to the property so conveyed. In consideration of the State accepting such conveyance, and assuming responsibility for said property, there is hereby authorized to be expended from appropriations hereafter made for civil functions administered by the Department of the Army toward the work of placing the project facilities in a condition suitable for public purposes, not to exceed $300,000. The Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the States with respect to the details of the work to be performed and transfer of the property. If the State fails to present a satisfactory offer within two years after the date of enactment of this Act, said property may be disposed of pursuant to the provisions of existing law and upon such terms and conditions as may be determined to be in the public interest: *And provided further,* That, after acceptance of said property by the State of Wisconsin, the Federal laws, other than the Federal Power Act, governing the protection and preservation of navigable waters shall not apply to the reach of the Upper Fox River, Wisconsin, above its juncture with the mouth of the Wolf River.

"SEC. 109. The projects for the Illinois Waterway and Grand Calumet River, Illinois and Indiana (Calumet-Sag navigation project), authorized by the River and Harbor Act of July 24, 1946, is hereby modified in accordance with the recommendations in House Document Numbered 45, Eighty-fifth Congress, insofar as they apply to existing highway bridges in part I, Sag Junction to Lake Calumet, at an estimated additional cost of $9,884,000.

"SEC. 110. (a) The Secretary of the Army hereby is authorized to acquire on behalf of the United States the fee simple title in and to the lands in the lake (known as Sinnissippi Lake) created by the Government dam constructed across Rock River between Sterling and Rock Falls, Illinois, and over which the United States now holds flowage rights or easement, and in and to all other lands upon which the United States has rights or easements used for the purpose of and appurtenant to the operation of the Federal project known as the Illinois and Mississippi Canal (which lake, canal, feeder, and appurtenances thereto are referred to collectively in this section as the canal) in the State of Illinois; said fee simple title to be acquired subject to the continuing right of access to Sinnissippi Lake by the riparian owners whose land adjoins and abuts said lake. Such acquisition may be accomplished by purchase, acceptance of donation, exchange, exercise of the power of eminent domain, or otherwise.

"(b) The Secretary of the Army further is authorized out of appropriations hereafter made for civil functions administered by the Department of the Army, to cause the canal to be repaired and modified for the purpose of placing the same in proper condition for public recreational use other than through-navigation, including (but not limited to) the repair or reconstruction of the aforesaid Government dam across Rock River; the repair or reconstruction of retaining walls, embankments, and fixed portions of the lock and dam structures, on both the feeder and the main portions of the canal; the removal of presently existing lock gates and the construction of fixed dams in lieu thereof; the repair of culverts, drainage ditches, fences, and other structures and improvements, except bridges and roads, which the United States has maintained or has been obligated to maintain; the replacement of aqueducts with inverted siphons or flumes; such other repair, renovation, or reconstruction work as the Chief of Engineers may deem necessary or advisable to prepare the canal for public recreational use other than through-navigation; and the sale or other disposition of equipment, buildings, and other structures, which are designated by the State of Illinois as not suitable or needed for such use. The work of repair and modification shall be performed by the Corps of Engineers, and upon completion thereof the Chief of Engineers shall certify such completion to the Secretary of the Army. The work of repair and modification authorized in this subsection, as well as the land acquisition authorized in the preceding subsection, shall not be commenced prior to the approval by the Chief of Engineers and the responsible State representative of the agreement authorized in subsection (e) which shall include assurance from the State of Illinois that it will accept the conveyance of all right, title, and interest of the United States in and to the canal. Upon such conveyance the United States shall have no further obligation with respect to the canal.

"(c) Upon the request of the State of Illinois and of any corporation owning a railroad which crosses a bridge over the canal, the Secretary of the Army is authorized to convey to said corporation, at any time before the conveyance of the canal to the State of Illinois as provided in subsection (d) of this section, all right, title, and interest of the United States in and to such bridge, and the delivery of any such bridge conveyance shall operate as a complete release and discharge of the United States from all further obligation with respect to such bridge. If the request also provides for the replacement of such bridge with a land fill, the Secretary of the Army further is authorized to permit the said corporation to make such replacement, but shall require adequate provision for culverts and other structures allowing passage of the waters of the canal and necessary drainage, and for right-of-way for necessary and appropriate road crossings.

"(d) The Secretary of the Army further is authorized and directed, upon execution of the foregoing provisions of this section, to convey and transfer to the State of Illinois, by quitclaim deed and such other instruments as the Secretary may deem appropriate, without further consideration, the property of the canal; and to execute such other documents and to perform such other acts as shall be necessary and appropriate to complete the transfer to the said State of all right, title, and interest of the United States in and to the canal. Upon and after the delivery of such deed, the State of Illinois is authorized, at all times, to use such quantity of water drawn from Rock River at Sinnissippi Lake, as is adequate and appropriate to operate the canal for public recreational use other than through-navigation.

"(e) In the execution of the provisions of this section, the Chief of Engineers is authorized to enter into agreements with the duly authorized representatives of the State of Illinois with respect to the details of repair and modification of the canal and the transfer thereof to the State.

"(f) There is hereby authorized to be appropriated the sum of $2,000,000 to carry out the provisions of this section.

"SEC. 111. Whenever, during the construction or reconstruction of any navigation, flood control, or related water development project under the direction of the Secretary of the Army, the Chief of Engineers determines that any structure or facility owned by an agency of government and utilized in the performance of a governmental function should be protected, altered, reconstructed, relocated, or replaced to meet the requirements of navigation or flood control, or both; or to preserve the safety or integrity of such facility when its safety or usefulness is determined by the Chief of Engineers to be adversely affected or threatened by the project, the Chief of Engineers may, if he deems such action to be in the public interest, enter into a contract providing for the payment from appropriations made for the construction or maintenance of such project, of the reasonable actual cost of such remedial work, or for the payment of a lump sum representing the estimated reasonable cost: *Provided,* That this section shall not be construed as modifying any existing or future requirement of local cooperation, or as indicating a policy that local interests shall not hereafter be required to assume costs of modifying such facilities. The provisions of this section may be applied to projects hereafter authorized and to those heretofore authorized but not completed as of the date of

this Act, and notwithstanding the navigation servitude vested in the United States, they may be applied to such structures or facilities occupying the beds of navigable waters of the United States.

"SEC. 112. The Secretary of the Army is hereby authorized and directed to cause surveys to be made at the following named localities and subject to all applicable provisions of section 110 of the River and Harbor Act of 1950:

"Stave Island Harbor at South Goldsboro, Maine.

"Tashmoo Pond, Martha's Vineyard, Massachusetts.

"Sachem's Head Harbor at Guilford, Connecticut.

"Poquonock River at Groton, Connecticut.

"Hammonds Cove, entrance to Locust Point Harbor, Long Island Sound, New York.

"Indian River Bay to Assawoman Canal known as White's Creek, and up White's Creek, Delaware.

"Indian River Bay via Pepper's Creek to Dagsboro, Delaware.

"Chesapeake Bay and tributaries, Maryland, Delaware, and Virginia, with a view to elimination of the water chestnut (Trapa Natans).

"Area from Cuckold Creek through Neale Creek and Neale Sound to the Wicomico River, Charles County, Maryland, to determine the feasibility of providing a safe and continuous inland channel for the navigation of small boats.

"Currioman Bay, Virginia.

"Tabbs Creek, Lancaster County, Virginia.

"Wrights Creek, North Carolina.

"Savannah River, with a view to providing nine-foot navigation to Augusta, Georgia.

"Little Gasparilla Pass, Charlotte County, Florida.

"Frenchman Creek, Florida.

"Streams and harbor facilities and needs therefor at and in the vicinity of Bayport, Florida, in the interest of present and prospective commerce and other purposes, with the view of improving the harbor facilities of Bayport as a port for commerce and for refuge on the Gulf of Mexico.

"Channel from Lynn Haven Bayou, Florida, into North Bay, Florida.

"Small-boat channel from the port of Panacea, Florida, into Apalachee Bay, Florida.

"Dredged channel, vicinity of Sunshine Skyway, Tampa Bay, Florida.

"Tampa Bay, Florida, with a view to determining the feasibility of a fresh water lake at that location.

"Apalachicola River Chipola Cutoff, Florida, via Wewahitchka, with a view to providing a channel nine feet deep and one hundred feet wide.

"Apalachicola River, Florida, in the vicinity of Bristol and in the vicinity of Blountstown.

"Streams at and in the vicinity of Gulfport, Florida.

"Trinity River, Texas.

"Missouri River, with a view to extending nine-foot navigation from Sioux City, Iowa, to Gavins Point Dam, South Dakota-Nebraska.

"Channel from Port Inland, Michigan, to deep water in Lake Michigan.

"Connecting channel between Namakan Lake and Ash River, Minnesota.

"Camp Pendleton Harbor and Oceanside, California, with a view to determining the extent of Federal aid which should be granted toward recommended beach erosion control measures at Oceanside, California, in equity without regard to limitations of Federal law applicable to beach erosion control.

"Anaheim Bay, California, with a view to determining the extent of Federal aid which should be granted in equity without regard to limitations of Federal law applicable to beach erosion control.

"SEC. 113. Title I may be cited as the 'River and Harbor Act of 1958'.

"TITLE II—FLOOD CONTROL

"SEC. 201. That section 3 of the Act approved June 22, 1936 (Public Law Numbered 738, Seventy-fourth Congress), as amended by section 2 of the Act approved June 28, 1938 (Public Law Numbered 761, Seventy-fifth Congress), shall apply to all works authorized in this title except that for any channel improvement or channel rectification project, provisions (a), (b), and (c) of section 3 of said Act of June 22, 1936, shall apply thereto, and except as otherwise provided by law: *Provided*, That the authorization for any flood-control project herein adopted requiring local cooperation shall expire five years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interest shall within said time furnish assurances satisfactory to the Secretary of the Army that the required cooperation will be furnished.

"SEC. 202. The provisions of section 1 of the Act of December 22, 1944 (Public Law Numbered 534, Seventy-eighth Congress, second session), shall govern with respect to projects authorized in this Act, and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

"SEC. 203. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein: *Provided*, That the necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program: *Provided further*, That the projects authorized herein shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements: *And provided further*, That penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this Act for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission.

"New Bedford, Fairhaven, and Acushnet, Massachusetts

"The project for hurricane-flood protection at New Bedford, Fairhaven, and Acushnet, Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 59, Eighty-fifth Congress, at an estimated cost of $15,490,000.

"Narragansett Bay area, Rhode Island and Massachusetts

"The project for hurricane-flood protection in the Narragansett Bay area, Rhode Island and Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 230, Eighty-fifth Congress, at an estimated cost of $16,180,000.

"Connecticut River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $24,000,000 for the prosecution of the comprehensive plan for the Connecticut River Basin, approved in the Act of June 28, 1938, as amended and supplemented by subsequent Act of Congress and such comprehensive plan is hereby modified to include the construction of the Littleville Reservoir on the Middle Branch of Westfield River, Massachusetts, substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 17, Eighty-fifth Congress, at an estimated cost of $5,090,000.

"The project for the Mad River Dam and Reservoir on the Mad River above Winsted, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 137, Eighty-fifth Congress, at an estimated cost of $5,430,000.

"Housatonic River Basin

"The project for the flood control dam and reservoir on Hall Meadow Brook in Torrington and Goshen, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 81, Eighty-fifth Congress, at an estimated cost of $1,960,000.

"The project for the flood control dam and reservoir on the East Branch of the Naugatuck River in Torrington, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 81, Eighty-fifth Congress, at an estimated cost of $1,780,000.

"Susquehanna River Basin

"The project for flood protection on the North Branch of the Susquehanna River, New York and Pennsylvania, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 394, Eighty-fourth Congress, and there is hereby authorized to be appropriated the sum of $30,000,000 for partial accomplishment of that plan.

"Hudson River Basin

"The project for flood protection on the Mohawk River, New York, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 172, Eighty-fifth Congress, at an estimated cost of $2,069,000.

"Pantego and Cucklers Creek, North Carolina

"The project for flood protection on Pantego and Cucklers Creek, North Carolina, is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in House Document Numbered 398, Eighty-fourth Congress, at an estimated cost of $413,000.

"Savannah River Basin

"In addition to previous authorizations, there is hereby authorized the completion of Hartwell Reservoir, approved in the Flood Control Acts of December 22, 1944, and May 17, 1950, in accordance with the report of the Chief of Engineers contained in House Document Numbered 657, Seventy-eighth Congress, at an estimated cost of $44,300,000.

"Central and Southern Florida

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $40,000,000 for the prosecution of the comprehensive plan for flood control and other purposes in central and southern Florida approved in the Act of June 30, 1948, and subsequent Acts of Congress, and such comprehensive plan is hereby modified to include the following items:

"The project for canals, levees, water control structures on the west side of the Everglades agricultural and conservation areas in Hendry County, Florida, substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document Numbered 48, Eighty-fifth Congress, at

an estimated cost of $3,172,000: *Provided,* That cost sharing for the works herein authorized shall be on the same basis as that prescribed for works authorized in the Flood Control Act of 1954.

"Mobile River Basin

"(Tombigbee, Warrior, and Alabama-Coosa)

"The project for flood control and related purposes on the Tombigbee River and tributaries, Mississippi and Alabama, is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in his report published as House Document Numbered 167, Eighty-fourth Congress, at an estimated cost of $19,711,000: *Provided,* That in lieu of the cash contribution contained in item (f) of the recommendations of the Chief of Engineers, local interests contribute in cash or equivalent work, the sum of $1,073,000 in addition to other items of local cooperation.

"The project for flood protection on the Alabama River at Montgomery, Alabama, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 83, Eighty-fifth Congress, at an estimated cost of $1,300,000.

"Lower Mississippi River

"The project for flood control and improvement of the lower Mississippi River adopted by the Act approved May 15, 1928, as amended by subsequent Acts, is hereby modified and expanded to include the following items and the authorization for said project is increased accordingly:

"(a) Modification of the White River Backwater project, Arkansas, substantially in accordance with the recommendation of the Chief of Engineers in Senate Document Numbered 26, Eighty-fifth Congress, at an estimated cost, over that now authorized, of $2,380,000 for construction and $57,000 annually for maintenance: *Provided,* That the Secretary of the Interior shall grant to the White River Drainage District of Phillips and Desha Counties, Arkansas, such permits, rights-of-way, and easements over lands of the United States in the White River Migratory Refuge, as the Chief of Engineers may determine to be required for the construction, operation, and maintenance of this project.

"(b) Modification and extension of plan of improvement in the Boeuf and Tensas Rivers and Bayou Macon Basin, Arkansas, substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 108, Eighty-fifth Congress, at an estimated cost of $1,212,000.

"(c) In addition to the previous authorization, the sum of $28,200,000 for prosecution of the plan of improvement for the control of Old and Atchafalaya Rivers and a navigation lock approved in the Act of September 3, 1954.

"(d) In addition to previous authorizations, the sum of $35,674,000 for prosecution of the plan of improvement in the Saint Francis River Basin approved in the Act of May 17, 1950.

"(e) The project for flood protection on Wolf River and tributaries, Tennessee, substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 76, Eighty-fifth Congress, at an estimated cost of $1,932,000.

"(f) The project for Greenville Harbor, Mississippi, substantially in accordance with the recommendations of the Mississippi River Commission, dated April 26, 1957, at an estimated cost of $2,530,000: *Provided,* That the amount to be contributed by local interests shall not be in excess of 12 per centum of the cost of construction, the amount of 12 per centum being presently estimated at $358,000.

"The project for flood protection and related purposes on Bayou Chevreuil, Louisiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 347, Eighty-fourth Congress, at an estimated cost of $547,000: *Provided,* That work already performed by local interests on this project, in accordance with the recommended plan as determined by the Chief of Engineers, may be credited to the cash contribution required of local interests.

"Trinity River Basin, Texas

"Notwithstanding clause (b) of paragraph 5 of the report of the Chief of Engineers dated May 28, 1954, with respect to the project for the Navarro Mills Reservoir on Richland Creek, Texas, authorized by section 203 of the Flood Control Act of 1954, local interests shall not be required to pay any portion of the total cost of the project attributable to increase in net returns from higher utilization of the downstream valley lands.

"Red-Ouachita River Basin

"The general plan for flood control on Red River, Texas, Oklahoma, Arkansas, and Louisiana, below Denison Dam, Texas and Oklahoma, as authorized by the Flood Control Act of 1946, is modified and expanded, at an estimated cost in addition to that now authorized of $53,235,000, substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 170, Eighty-fifth Congress, on Millwood Reservoir and Alternate Reservoirs, Little River, Oklahoma and Arkansas, except as follows:

"(1) The Sherwood Reservoir on Mountain Fork River is authorized in addition to the six other reservoirs upstream from the Millwood Reservoir, recommended by the Chief of Engineers.

"(2) In the case of such reservoirs, the basis for determining the cost allocated to hydroelectric power and water supply purposes shall be the incremental method of allocation whereby the cost allocated to power and water supply should be limited to the cost of adding power and water as purposes in the project, and all flood-control and land-enhancement benefits shall be nonreimbursable.

"Gulf of Mexico

"The project for hurricane-flood protection on Galveston Bay, Texas, at and in the vicinity of Texas City, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 347, Eighty-fifth Congress, at an estimated cost of $6,166,000.

"Arkansas River Basin

"The project for the Trinidad Dam on Purgatoire River, Colorado, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 325, Eighty-fourth Congress, at an estimated cost of $16,628,000.

"The first section of the Act entitled 'An Act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma', approved July 6, 1954 (68 Stat. 450), is amended by inserting after 'as recommended by the Chief of Engineers,' the following: 'or such additional flood storage or pool elevations, or both, as may be approved by the Chief of Engineers,', and the third section of said Act is amended by striking out after 'all claims heretofore or hereafter' the words 'asserted of whatever nature including but not limited to' and inserting in lieu thereof the following: 'arising from or out of the'.

"White River Basin

"In addition to previous authorizations, there is hereby authorized the sum of $57,000,000 for the prosecution of the comprehensive plan for the White River Basin, approved in the Act of June 28, 1938, as amended, and supplemented by subsequent Acts of Congress, and such comprehensive plan is hereby modified to provide for the generation of power in conjunction with flood control at the Lone Rock Reservoir and the addition of Gilbert Reservoir for flood control, power generation, and other purposes as recommended by the District Engineer in House Document Numbered 499, Eighty-third Congress.

"Pecos River Basin

"The project for flood protection on the Pecos River at Carlsbad, New Mexico, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 224, Eighty-fifth Congress, at an estimated Federal cost of $2,066,000.

"Rio Grande Basin

"The project for flood protection on the Rio Grande at Socorro, New Mexico, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 58, Eighty-fifth Congress, at an estimated Federal cost of $3,152,000.

"Upper Mississippi River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $21,000,000 for the prosecution of the comprehensive plan for the Upper Mississippi River Basin, approved in the Act of June 28, 1938, as amended and supplemented by subsequent Acts of Congress.

"The project for flood protection on the Rock and Green Rivers, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 173, Eighty-fifth Congress, at an estimated cost of $6,996,000.

"The project for flood protection on Eau Galle River at Spring Valley, Wisconsin, is hereby authorized substantially in accordance with recommendations of the Chief of Engineers in Senate Document Numbered 52, Eighty-fourth Congress, at an estimated cost of $6,690,000.

"The project for flood protection on the Mississippi River at Winona, Minnesota, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 324, Eighty-fourth Congress, at an estimated cost of $1,620,000.

"The projects for flood protection on the Mississippi River at Saint Paul and South Saint Paul, Minnesota, are hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 223, Eighty-fifth Congress, at an estimated cost of $5,705,500.

"The project for flood protection on the Minnesota River at Mankato and North Mankato, Minnesota, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 437, Eighty-fourth Congress, at an estimated cost of $1,870,000.

The project for the Saylorville Reservoir on the Des Moines River, Iowa, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 9, Eighty-fifth Congress, at an estimated cost of $44,500,000.

"The project for the Kaskaskia River, Illinois, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 232, Eighty-fifth Congress, at an estimated cost of $23,000,000.

"The project for flood protection on the Root River at Rushford, Minnesota, is hereby authorized substantially as recommended by the Chief of Engineers, in House Document Numbered 431, Eighty-fourth Congress, at an estimated cost of $796,000.

"Great Lakes Basin

"The project for flood protection on the Bad River at Mellen and Odanah, Wisconsin, is hereby authorized substantially in accord-

ance with the recommendations of the Chief of Engineers in House Document Numbered 165, Eighty-fourth Congress, at an estimated cost of $917,000.

"The project for flood protection on the Kalamazoo River at Kalamazoo, Michigan, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 53, Eighty-fourth Congress, at an estimated cost of $5,358,000.

"The project for flood protection on the Grand River, Michigan, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 132, Eighty-fourth Congress, at an estimated cost of $9,825,000.

"The project for flood protection on the Saginaw River, Michigan, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 346, Eighty-fourth Congress, at an estimated cost of $16,085,000.

"The project for flood protection on Owasco Outlet, tributary of Oswego River, at Auburn, New York, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 133, Eighty-fourth Congress, at an estimated cost of $305,000.

"Missouri River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200,000,000 for the prosecution of the comprehensive plan for the Missouri River Basin, approved in the Act of June 28, 1938, as amended and supplemented by subsequent Acts of Congress: *Provided,* That with respect to any power attributable to any dam in such plan to be constructed by the Corps of Engineers, the construction of which has not been started, a reasonable amount of such power as may be determined by the Secretary of Interior, or such portions thereof as may be required from time to time to meet loads under contract made within this reservation, shall be made available for use in the State where such dam is constructed.

"The Secretary of the Army, acting through the Corps of Engineers, is authorized and directed to undertake the construction and to provide suitable sewer facilities, conforming to applicable standards of the South Dakota Department of Health, to replace certain existing water or sewer facilities of (1) the Saint Joseph's Indian School, Chamberlain, South Dakota, by facilities to provide for treatment of sewage or connection to the city system not exceeding $42,000 in cost; (2) Fort Pierre, South Dakota, sewer facilities not exceeding $120,000, and water facilities not exceeding $25,000; and (3) the city of Pierre, South Dakota, sewer facilities not exceeding $210,000; and the Secretary of the Army, acting through the Corps of Engineers, is further authorized and directed to pay to the Chamberlain Water Company, Chamberlain, South Dakota, as reimbursement for removal expenses, not to exceed $5,000, under the provisions of Public Law 534, Eighty-second Congress, and to the Eagle Butte Independent School District Numbered 3, Eagle Butte, South Dakota, the sum of $10,000 as reimbursement for the public school building provided by said district as required by State law for children living at or near the Cheyenne Agency of the Cheyenne River Sioux Reservation, South Dakota, which school building was constructed on reservation lands and is being flooded out by the Oahe Dam and Reservoir project: *Provided,* That the Secretary of the Army is authorized to provide the sums necessary to carry out the provisions of this paragraph out of any sums appropriated for the construction of the Oahe and Fort Randall Dam and Reservoir projects, Missouri River.

"The project for flood protection on the Sun River at Great Falls, Montana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 343, Eighty-fifth Congress, at an estimated cost of $1,405,000.

"The project for flood protection on the Cannonball River, at Mott, North Dakota, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 35, Eighty-fifth Congress, at an estimated cost of $434,000.

"The project for flood protection on the Floyd River, Iowa, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 417, Eighty-fourth Congress, at an estimated cost of $8,060,000.

"The project for flood protection on the Black Vermillion River at Frankfort, Kansas, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 409, Eighty-fourth Congress, at an estimated cost of $850,000.

"The project for flood protection in the Gering and Mitchell Valleys, Nebraska, is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document Numbered 409, Eighty-fourth Congress, at an estimated cost of $1,214,000.

"The project for flood control on Salt Creek and tributaries, Nebraska, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 396, Eighty-fourth Congress, at an estimated cost of $13,314,000.

"The project for flood protection on Shell Creek, Nebraska, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 187, Eighty-fifth Congress, at an estimated cost of $2,025,000.

"Red River of the North Basin

"The project for flood protection on Ruffy Brook and Lost River, Minnesota, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 141, Eighty-fourth Congress, at an estimated cost of $632,000.

"Ohio River Basin

"The project for the Saline River and tributaries, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report published as House Document Numbered 316, Eighty-fourth Congress, at an estimated cost of $5,970,000: *Provided,* That in lieu of the cash contribution recommended by the Chief of Engineers, local interests contribute in cash, the sum of $233,000, in addition to other items of local cooperation.

"The project for the Upper Wabash River and tributaries, Indiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 435, Eighty-fourth Congress, at an estimated cost of $45,500,000.

"The project for flood protection on Brush Creek at Princeton, West Virginia, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 122, Eighty-fourth Congress, at an estimated cost of $917,000.

"The project for flood protection on Meadow River at East Rainelle, West Virginia, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 137, Eighty-fourth Congress, at an estimated cost of $708,000.

"The project for flood protection on Lake Chautauqua and Chadakoin River at Jamestown, New York, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 103, Eighty-fourth Congress, at an estimated cost of $4,796,000.

"The project for flood protection on the West Branch of the Mahoning River, Ohio, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 191, Eighty-fifth Congress, at an estimated cost of $12,585,000.

"The project for flood protection on Chartiers Creek, at and in the vicinity of Washington, Pennsylvania, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 286, Eighty-fifth Congress, at an estimated cost of $1,286,000.

"The project for flood protection on Sandy Lick Creek at Brookville, Pennsylvania, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 166, Eighty-fifth Congress, at an estimated cost of $1,188,000.

"The general comprehensive plan for flood control and other purposes in the Ohio River Basin is modified to provide for a reservoir at the Monroe Reservoir site, mile 25.6, on Salt Creek, White River Basin, Indiana, in accordance with the recommendations of the Chief of Engineers in House Document Numbered 192, Eighty-fifth Congress, at an estimated cost of $4,359,000.

"Gila River Basin

"The comprehensive plan of improvement for the Gila River between Camelsback Reservoir site and the mouth of the Salt River, as set forth in Paragraph 41 of the Report of the District Engineer, Los Angeles District, dated December 31, 1957, is approved as a basis for the future development of the Gila River, subject to further detailed study and specific authorization; and the channel improvement work recommended by the District Engineer in Paragraph 58 of that report, is hereby authorized at an estimated Federal cost of $1,570,000, subject to the condition that local interests furnish assurances satisfactory to the Secretary of the Army that they will (a) provide necessary lands, easements, and rights-of-way; (b) maintain and operate the channel improvements in accordance with regulations to be prescribed by the Secretary of the Army at an average annual cost estimated at $50,000; (c) keep the flood channel of the Gila River from the upper end of Safford Valley to San Carlos reservoir and from the mouth of the San Pedro River to Buttes reservoir site free from encroachment; (d) hold and save the United States free from all damages arising from construction and operation of the work; and (e) adjust all water-rights claims resulting from construction, operation, and maintenance of the improvements; provided, that in the consideration of benefits in connection with the study of any upstream reservoir, the channel improvements herein authorized and the upstream reservoir shall be considered as a single operating unit in the economic evaluation.

"Sacramento River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $17,000,000 for the prosecution of the comprehensive plan approved in the Act of December 22, 1944, as amended and supplemented by subsequent Acts of Congress.

"The project for flood protection on the Sacramento River from Chico Landing to Red Bluff, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 272, Eighty-fourth Congress, at an estimated cost of $1,560,000.

"Eel River Basin

"The project for flood protection on the Eel River in the Sandy Prairie Region, California, is hereby authorized substantially in

accordance with the recommendations of the Chief of Engineers, in House Document Numbered 80, Eighty-fifth Congress, at an estimated cost of $707,000.

"Weber River Basin, Utah

"The project for flood protection on the Weber River and tributaries, Utah, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 158, Eighty-fourth Congress, at an estimated cost of $520,000.

"San Joaquin River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $13,000,000 for the prosecution of the comprehensive plan approved in the Act of December 22, 1944, as amended and supplemented by subsequent Acts of Congress.

"The project for the Buchanan Reservoir on the Chowchilla River, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 367, Eighty-first Congress, at an estimated cost of $10,900,000: *Provided*, That, prior to starting construction, assurances of repayment arrangements for the cost allocated to irrigation be obtained by the Secretary of the Interior.

"The project for the Hidden Reservoir on the Fresno River, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 367, Eighty-first Congress, at an estimated cost of $12,500,000: *Provided*, That prior to starting construction assurances of repayment arrangements for the cost allocated to irrigation be obtained by the Secretary of the Interior.

"Kaweah and Tule River Basins

"In addition to previous authorizations, the completion of the comprehensive plan approved in the Act of December 22, 1944, as amended and supplemented by subsequent Acts of Congress, is hereby authorized at an estimated cost of $28,000,000.

"Los Angeles River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $44,000,000, for the prosecution of the comprehensive plan approved in the Act of August 18, 1941, as amended and supplemented by subsequent Acts of Congress.

"Santa Ana River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $8,000,000, for the prosecution of the comprehensive plan approved in the Act of June 22, 1936, as amended and supplemented by subsequent Acts of Congress.

"San Dieguito River Basin

"The project for the San Dieguito River, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 288, Eighty-fifth Congress, at an estimated cost of $1,961,000.

"Columbia River Basin

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $112,000,000 for the prosecution of the projects and plans for the Columbia River Basin, including the Willamette River Basin, authorized by the Flood Control Act of June 28, 1938, and subsequent Acts of Congress, including the Flood Control Acts of May 17, 1950, and September 3, 1954.

"In carrying out the review of House Document Numbered 531, Eighty-first Congress, second session, and other reports on the Columbia River and its tributaries, pursuant to the resolution of the Committee on Public Works of the United States Senate dated July 28, 1955, the Chief of Engineers shall be guided by flood control goals not less than those contained in said House Document Numbered 531.

"The preparation of detailed plans for the Bruces Eddy Dam and Reservoir on the North Fork of the Clearwater River, Idaho, substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 51, Eighty-fourth Congress, is hereby authorized at an estimated cost of $1,200,000.

"Sammamish River Basin

"The project for flood protection and related purposes on the Sammamish River, Washington, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 157, Eighty-fourth Congress, at an estimated cost of $825,000.

"Territory of Alaska

"The project for flood protection on Chena River at Fairbanks, Alaska, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 137, Eighty-fourth Congress, at an estimated cost of $9,727,000.

"The project for flood protection at Cook Inlet, Alaska (Talkeetna), is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 34, Eighty-fifth Congress, at an estimated cost of $60,000.

"SEC. 204. That, in recognition of the flood-control accomplishments of the multiple-purpose Oroville Dam and Reservoir, proposed to be constructed on the Feather River by the State of California, there is hereby authorized to be appropriated a monetary contribution toward the construction cost of such dam and reservoir and the amount of such contribution shall be determined by the Secretary of the Army in cooperation with the State of California, subject to a finding by the Secretary of the Army, approved by the President, of economic justification for allocation of the amount of flood control, such funds to be administered by the Secretary of the Army: *Provided*, That prior to making the monetary contribution or any part thereof, the Department of the Army and the State of California shall have entered into an agreement providing for operation of the Oroville Dam in such manner as will produce the flood-control benefits upon which the monetary contribution is predicated, and such operation of the dam for flood control shall be in accordance with rules prescribed by the Secretary of the Army pursuant to the provisions of section 7 of the Flood Control Act of 1944 (58 Stat. 890): *Provided further*, That the funds appropriated under this authorization shall be administered by the Secretary of the Army in a manner which shall assure that the annual Federal contribution during the project construction period does not exceed the percentage of the annual expenditure for the Oroville Dam and Reservoir which the total flood-control contribution bears to the total cost of the dam and reservoir: *And provided further*, That unless construction of the Oroville Dam and Reservoir is undertaken within four years from the date of enactment of this Act, the authority for the monetary contribution contained herein shall expire.

"SEC. 205. (a) It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood control, irrigation, or multiple purpose projects.

"(b) In prosecuting plans and projects for navigation, flood control, and allied purposes heretofore or hereafter authorized, storage may be included in any reservoir project constructed or to be constructed by the Corps of Engineers without reimbursement to increase low flows downstream to the extent warranted at that time, or anticipated to be warranted at that time, or anticipated to be warranted during the economic life of the project, by widespread, general, and nonexclusive benefits from such increases in low flow. Storage may likewise be included for the same purpose and under the same conditions in any reservoir constructed by the Secretary of the Interior under the Federal Reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof and supplementary thereto).

"(c) In carrying out the policy set forth in this section, it is hereby provided that storage may also be included in any reservoir project surveyed, planned, constructed or to be planned, surveyed and/or constructed by the Corps of Engineers or the Bureau of Reclamation to impound water for present or anticipated future demand or need for municipal or industrial water, and the reasonable value thereof may be taken into account in estimating the economic value of the entire project: *Provided*, That when the contract for the use of such impounded waters is made it shall be on the basis that will provide equitable reimbursement to the United States as determined by the Secretary of the Army or the Secretary of the Interior as the case may be: *Provided further*, That the cost of providing storage for such future demand shall not be more than thirty percent of the total estimated cost of the project, and reasonable assurance is given by States or local interests that the use of such storage for future demand will begin within a period of time to permit paying out the costs allocated to water supply within the life of the project: *Provided further*, That the entire amount of the construction costs, including interest during construction, allocated to water supply shall be repaid within the life of the project, but in no event to exceed fifty years after the project is first used for the storage of water for such water supply purposes, except that (1) no payment need be made with respect to storage for future water supply until such supply is first used, (2) with respect to repayment of cost allocated to such future water supply such fifty years shall not commence until such supply is first used, and (3) no interest shall be charged on such cost until such supply is first used, but in no case shall the interest free period exceed ten years. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue. The provisions of this subsection insofar as they relate to the Bureau of Reclamation and the Secretary of the Interior shall be alternative to and not a substitute for the provisions of the Reclamation Projects Act of 1939 (53 Stat. 1187) relating to the same subject.

"(d) The provisions of this section shall not be construed to modify the provisions of section 1 and section 8 of the Flood Control Act of 1944 (58 Stat. 887), as amended and extended, or the provisions of section 8

of the Reclamation Act of 1902 (32 Stat. 390), nor shall any storage provided under the provisions of this section be operated in such manner as to adversely affect the lawful uses of the water.

"(e) Modifications of a reservoir project heretofore authorized, surveyed, planned, or constructed to include storage as provided in subsections (b) and (c), which would seriously affect the purposes for which the project was authorized, surveyed, planned, or constructed, or which would involve major structural or operational changes shall be made only upon the approval of Congress as now provided by law.

"SEC. 206. (a) In order to provide adjustments in the lands or interests in land heretofore acquired for the Grapevine, Garza-Little Elm, Benbrook, Belton, and Whitney Reservoir projects in Texas to conform such acquisition to a lesser estate in lands now being acquired to complete the real estate requirements of the projects the Secretary of the Army (hereinafter referred to as the "Secretary") is authorized to reconvey any such land heretofore acquired to the former owners thereof whenever he shall determine that such land is not required for public purposes, including public recreational use, and he shall have received an application for reconveyance as hereinafter provided, subject to the following limitations:

"(1) No reconveyance shall be made if within thirty days after the last date that notice of the proposed reconveyance has been published by the Secretary in a local newspaper, an objection in writing is received by the former owner and the Secretary from a present record owner of land abutting a portion of the reservoir made available for reconveyance, unless within ninety days after receipt by the former owner and the Secretary of such notice of objection, the present record owner of land and the former owner involved indicate to the Secretary that agreement has been reached concerning the reconveyance.

"(2) If no agreement is reached between the present record owner of land and the former owner within ninety days after notice of objection has been filed with the former owner and the Secretary, the land made available for reconveyance in accordance with this section shall be reported to the Administrator of General Services for disposal in accordance with the Federal Property and Administrative Services Act of 1949, as amended (63 Stat. 377).

"(3) No lands heretofore conveyed to the United States Government by the city of Dallas in connection with the Garza-Little Elm Reservoir project shall be subject to revestment of title to private owners, but shall remain subject to the terms and conditions of the instrument or instruments of conveyance which transferred the title to the United States Government.

"(b) Any such reconveyance of any such land or interests shall be made only after the Secretary (1) has given notice, in such manner (including publication) as regulations prescribe to the former owner of such land or interests, and (2) has received an application for the reconveyance of such land or interests from such former owner in such form as he shall by regulation prescribe. Such application shall be made within a period of ninety days following the date of issuance of such notice, but on good cause the Secretary may waive this requirement.

"(c) Any reconveyance of land therein made under this section shall be subject to such exceptions, restrictions, and reservations (including a reservation to the United States of flowage rights) as the Secretary may determine are in the public interest, except that no mineral rights may be reserved in said lands unless the Secretary finds that such reservation is needed for the efficient operation of the reservoir projects designated in this section.

"(d) Any land reconveyed under this section shall be sold for an amount determined by the Secretary to be equal to the price for which the land was acquired by the United States, adjusted to reflect (1) any increase in the value thereof resulting from improvements made thereon by the United States (the Government shall receive no payment as a result of any enhancement of values resulting from the construction of the reservoir projects specified in subsection (a) of this section), or (2) any decrease in the value thereof resulting from (A) any reservation, exception, restrictions, and condition to which the reconveyance is made subject, and (B) any damage to the land caused by the United States. In addition, the cost of any surveys or boundary markings necessary as an incident of such reconveyance shall be borne by the grantee.

"(e) The requirements of this section shall not be applicable with respect to the disposition of any land, or interest therein, described in subsection (a) if the Secretary shall certify that notice has been given to the former owner of such land or interest as provided in subsection (b) and that no qualified applicant has made timely application for the reconveyance of such land or interest.

"(f) As used in this section the term 'former owner' means the person from whom any land, or interests therein, was acquired by the United States, or if such person is deceased, his spouse, or if such spouse is deceased, his children, or the heirs at law; and the term 'present record owner of land' shall mean the person or persons in whose name such land shall, on the date of approval of this Act, be recorded on the deed records of the respective county in which such land is located.

"(g) The Secretary of the Army may delegate any authority conferred upon him by this section to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

"(h) Any proceeds from reconveyances made under this Act shall be covered into the Treasury of the United States as miscellaneous receipts.

"(i) This section shall terminate three years after the date of its enactment.

"SEC. 207. The Secretary of the Army is hereby authorized and directed to cause surveys for flood control and allied purposes, including channel and major drainage improvements, and floods aggravated by or due to wind or tidal effects, to be made under the direction of the Chief of Engineers, in drainage areas of the United States and its Territorial possessions, which include the following named localities: *Provided*, That after the regular or formal reports made on any survey are submitted to Congress, no supplemental or additional report or estimate shall be made unless authorized by law except that the Secretary of the Army may cause a review of any examination or survey to be made and a report thereon submitted to Congress if such review is required by the national defense or by changed physical or economic conditions: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law:

"Short Sands section of York Beach, York County, Maine.

"Streams, river basins, and areas in New York and New Jersey for flood control, major drainage, navigation, channel improvement, and land reclamation, as follows: Hackensack River, Passaic River, Raritan River, Arthur Kill, and Kill Van Kull, including the portions of these river basins in Bergen, Hudson, Essex, Middlesex, Passaic, Union, and Monmouth Counties, New Jersey.

"Deep Creek, Saint Marys County, Maryland.

"Mills Creek, Florida.

"Streams in Seminole County, Florida, draining into the Saint Johns River.

"Streams in Brevard County, Florida, draining Indian River and adjacent coastal areas including Merritt Island, and the area of Turnbull Hammock in Volusia County.

"Lake Ponchartrain, Louisiana, in the interest of protecting Salt Bayou Road.

"San Felipi Creek, Texas, at and in the vicinity of Del Rio, Texas.

"El Paso, El Paso County, Texas.

"Rio Grande and tributaries, at and in the vicinity of Fort Hancock, Hudspeth County, Texas.

"Missouri River Basin, South Dakota, with reference to utilization of floodwaters stored in authorized reservoirs for purposes of municipal and industrial use and maintenance of natural lake levels.

"Stump Creek, tributary of North Fork of Mahoning Creek, at Sykesville, Pennsylvania.

"Little River and Cayuga Creek, at and in the vicinity of Cayuga Island, Niagara County, New York.

"Bird, Caney, and Verdigris Rivers, Oklahoma and Kansas.

"Watersheds of the Illinois River, at and in the vicinity of Chicago, Illinois, the Chicago River, Illinois, the Calumet River, Illinois and Indiana, and their tributaries, and any areas in northeast Illinois and northwest Indiana which drain directly into Lake Michigan with respect to flood control and major drainage problems.

"All streams flowing into Lake Saint Clair and Detroit River in Oakland, Macomb, and Wayne Counties, Michigan.

"Sacramento River Basin, California, with reference to cost allocation studies for Oroville Dam.

"Pescadero Creek, California.

"Soquel Creek, California.

"San Gregorio Creek and tributaries, California.

"Redwood Creek, San Mateo, California.

"Streams at and in the vicinity of San Mateo, California.

"Streams at and in the vicinity of South San Francisco, California.

"Streams at and in the vicinity of Burlingame, California.

"Kellogg and Marsh Creeks, Contra Costa County, California.

"Eastkoot Creek, Stinson Beach area, Marin County, California.

"Rodeo Creek, tributary of San Pablo Bay, Contra Costa County, California.

"Pinole Creek, tributary of San Pablo Bay, Contra Costa County, California.

"Rogue River, Oregon, in the interest of flood control, navigation, hydroelectric power, irrigation, and allied purposes.

"Kihei District, Island of Maui, Territory of Hawaii.

"SEC. 208. In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $200,000,000 for the prosecution of the comprehensive plan adopted by section 9 (a) of the Act approved December 22, 1944 (Public Numbered 534, Seventy-eighth Congress), as amended and supplemented by subsequent Acts of Congress, for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior.

"SEC. 209. That for preliminary examinations and surveys authorized in previous river and harbor and flood control Acts, the Secretary of the Army is hereby directed to cause investigations and reports for flood control and allied purposes, to be prepared under the supervision of the Chief of Engineers in the form of survey reports, and that

preliminary examination reports shall no longer be required to be prepared.

"SEC. 210. Title II may be cited as the 'Flood Control Act of 1958'."

And the House agree to the same.

CLIFFORD DAVIS,
JOHN A. BLATNIK,
ROBERT E. JONES,
J. HARRY MCGREGOR,
RUSSELL V. MACK,
Managers on the Part of the House.

DENNIS CHAVEZ,
ROBT. S. KERR,
ALBERT GORE,
EDWARD MARTIN,
FRANCIS CASE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 497) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause and inserts a substitute. The Senate recedes from the disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the House amendment and the substitute agreed to in conference are noted in the following outline, except for incidental differences made necessary by reason of minor, technical, and clerical conforming amendments.

Mississippi River at Alton, Ill.

The Senate bill authorized a navigation project for a small-boat harbor at Alton, Ill., on the Mississippi River, at an estimated cost of $101,000.

The House amendment reduced the authorized estimated cost to $62,000 and provided that Federal participation in the provision of the general navigation facilities should not exceed 50 percent of the cost of those facilities.

The proposed conference substitute contains the provision of the Senate bill, which is in accord with the recommendations of the Chief of Engineers.

Port Washington Harbor, Wis.

The Senate bill authorized the project at Port Washington Harbor, Wis., as provided in House Document No. 446, 83d Congress, at an estimated Federal cost of $2,932,000.

The House amendment also authorized a project at Port Washington Harbor, Wis., but at an estimated Federal cost of $1,760,000, and with the proviso that local interests should contribute 43½ percent of the total cost of the project.

The proposed conference substitute authorizes the project at Port Washington Harbor in accordance with House Document No. 446, 83d Congress, at an estimated Federal cost of $2,181,000, and with the proviso that local interests shall contribute 30 percent of the total cost of the project.

Irondequoit Bay, N. Y.

The Senate bill authorized the project for Irondequoit Bay, N. Y., in accordance with House Document No. 332, 84th Congress, at an estimated cost of $1,938,000.

The House amendment reduced the authorized estimated cost to $1,865,000 and provided that Federal participation in the provision of the general navigation facilities should not exceed 50 percent of the cost of those facilities.

The proposed conference substitute contains the provision of the Senate bill, which is in accord with the recommendations of the Chief of Engineers.

Susquehanna River Basin

The Senate bill authorized the project for flood protection on the North Branch of the Susquehanna River, N. Y. and Pa., substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 394, 84th Congress, and authorized the appropriation of $30,000,000 for partial accomplishment of that plan.

The House amendment did not authorize this project.

The proposed conference substitute authorizes this project as provided in the Senate bill

Mobile River Basin

The Senate bill authorized the project for flood control and related purposes on the Tombigbee River and tributaries, Mississippi and Alabama, substantially in accordance with the Chief of Engineers in his report published as House Document No. 167, 84th Congress, at an estimated cost of $19,711,000 with the proviso that instead of the cash contribution required by item (f) of the Chief of Engineers recommendations, local interests contribute in cash or equivalent work $1,073,000 in addition to other items of local cooperation.

The House amendment was identical with the Senate bill except that the authorized estimated cost was reduced to $19,199,000 and the local contribution was increased to $1,585,000.

The proposed conference substitute contains the provisions of the Senate bill.

Missouri River Basin

The Senate bill authorized the appropriation of $200,000,000 for the prosecution of the comprehensive plan for the Missouri River Basin approved in the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress, and the Senate bill further provided that with respect to power attributable to any dam in the plan, the construction of which has not been started, an equitable proportion of such power as may be determined by the Secretary of the Interior, or such portion thereof as may be required from time to time to meet loads under contract made within this reservation, should be made available for use in the State where such dam is constructed.

The House amendment authorized the same appropriation for the plan as did the Senate bill but did not contain any requirement that power attributable to any dam in the plan be made available for use in the State where the dam is constructed.

The proposed conference substitute contains the provision of the Senate bill except that instead of requiring that "an equitable proportion" of such power be made available, the proposed conference substitute would require that "a reasonable amount" of such power be made available.

Sewer facilities, South Dakota

The Senate bill authorized the Secretary of the Army, acting through the Corps of Engineers to construct and provide suitable sewer facilities, which conform to applicable standards of the South Dakota Department of Health, to replace existing water or sewer facilities of (1) Saint Joseph's Indian School, Chamberlain, S. Dak., by facilities to provide for treatment of sewage or connection to the city system not exceeding $42,000 in cost; (2) Fort Pierre, S. Dak., sewer facilities not exceeding $120,000, and water facilities not exceeding $25,000; and (3) the city of Pierre, S. Dak., sewer facilities not exceeding $210,000. The Senate bill further authorized and directed the Secretary of the Army to pay the Chamberlain Water Co., Chamberlain, S. Dak., as reimbursement for removal expenses, not to exceed $5,000 under the provisions of Public Law 534, 82d Congress, and to pay to the Eagle Butte Independent School District No. 3, Eagle Butte, S. Dak., $10,000 as reimbursement for the public school building on the Cheyenne River Sioux Reservation, South Dakota, which is being flooded out by the Oahe Dam and Reservoir project.

The House amendment authorized the construction of sewer facilities only for Saint Joseph's Indian School, Chamberlain, S. Dak.

The proposed conference substitute contains the provisions of the Senate bill.

Gila River Basin

The Senate bill authorized the plan for improvement for the Middle Gila River Basin, Ariz., substantially in accordance with the plans on file in the office of the Chief of Engineers and the office of the Commissioner of the Bureau of Reclamation and it further authorized the appropriation of $2,500,000 for the partial accomplishment of works to be undertaken under the plan by the Secretary of the Interior and $2,500,000 for the partial accomplishment for the works to be undertaken under the plan by the Corps of Engineers.

The House amendment contained no authorization for this project.

The proposed conference substitute approved as a basis for the future development of the Gila River the comprehensive plan for improvement for the Gila River between Camelsback Reservoir site and the mouth of the Salt River, as set forth in paragraph 41 of the report of the district engineer, Los Angeles district, dated December 31, 1957, subject to further detailed study and specific authorization. The proposed conference substitute also authorizes the channel improvement work recommended by the district engineer in paragraph 58 of that report at an estimated Federal cost of $1,570,000. Such authorization is subject, however, to conditions that local interests furnish assurances satisfactory to the Secretary of the Army that they will (a) provide necessary lands, easements, and rights-of-way; (b) maintain and operate the channel improvements in accordance with regulations to be prescribed by the Secretary of the Army at an average annual cost estimated at $50,000; (c) keep the flood channel of the Gila River from the upper end of Safford Valley to San Carlos Reservoir and from the mouth of the San Pedro River to Buttes Reservoir site free from encroachment; (d) hold and save the United States free from all damages arising from construction and operation of the work; and (e) adjust all water-rights claims resulting from construction, operation, and maintenance of the improvements. It further provides that in the consideration of benefits in connection with the study of any upstream reservoir the channel improvements authorized in this Act for the Gila River Basin and the upstream reservoir to be considered as a single operating unit in the economic evaluation.

Bruces Eddy Dam and Reservoir

The Senate bill authorized the project for Bruces Eddy Dam and Reservoir, on the North Fork of the Clearwater River, Idaho, substantially in accordance with recommendations of the Chief of Engineers in Senate Document No. 51, 84th Congress. It further authorized the appropriation of $25,000,000 for partial accomplishment of the project and increased the authorization for appropriation for the Columbia River Basin accordingly. The Senate bill further provided that with respect to any power attributable to that project an equitable proportion of firm power as determined by the Secretary of the Interior or such portion thereof as may be required from time to time to meet loads under contracts made within this reservation should be available for use in Idaho. The Senate bill further provided that no funds should be appropriated for construc-

tion of the project until the current studies on fish and wildlife are completed and a report submitted to Congress on those studies.

The House amendment did not provide authorization for Bruces Eddy Dam and Reservoir.

The proposed conference substitute authorizes only the preparation of detailed plans for Bruces Eddy Dam and Reservoir substantially in accordance with the recommendations of the Chief of Engineers in Senate Document No. 51, 84th Congress, at an estimated cost of $1,200,000.

Section 205. Water supply

The first paragraph of the Senate bill, which was not designated as a lettered subsection, declared it to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial, and other purposes, and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood control, or multiple-purpose projects.

In subsection (a) the Senate bill provided that in prosecuting plans and projects for navigation, flood control, and allied purposes, heretofore or hereafter authorized, storage may be included in any reservoir project to be constructed by the Corps of Engineers without reimbursement to increase low flows downstream to the extent warranted at that time, or anticipated to be warranted at that time, or anticipated to be warranted during the economic life of the project, by widespread general and nonexclusive benefits from such increases in low flow. The subsection also provided that storage may likewise be included for the same purpose and under the same conditions in any reservoir constructed by the Secretary of the Interior for irrigation, hydroelectric power, municipal and industrial water supply, and allied purposes, under Federal reclamation laws. With respect to the construction of storage by the Secretary of the Interior, the Senate bill contained a proviso that such storage be constructed and used in compliance with applicable State laws and interstate compacts, and provided further that nothing in that subsection should be construed to amend, modify, or limit the applicability of section 8 of the Reclamation Act of 1902.

Subsection (b) of the Senate bill provided that in carrying out the foregoing policy storage may also be included in any reservoir project surveyed, planned, constructed, or to be planned, surveyed, and/or constructed by the Corps of Engineers or the Bureau of Reclamation to impound water for present or anticipated future demand or need for municipal or industrial water and the reasonable value thereof may be taken into account in estimating the economic value of the entire project. In this connection, a proviso was contained in the Senate bill to the effect that when contract for the use of such impounded water is made it shall be on the basis that will provide equitable reimbursement to the United States as determined by the Secretary of the Army or the Secretary of the Interior, as the case may be. The Senate bill provided further that the entire amount of the construction costs, including interest during construction, allocated to water supply should be repaid within the economic life of the project, but in no event to exceed 50 years after the project is first available for the storage of water for any purpose. In this subsection the Senate bill also provided that the interest rate to be used for the purposes of computing interest during construction and the interest on the unpaid balance should be determined by the Secretary of the Treasury as of the beginning of the fiscal year in which construction is initiated, and should be based on the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for 15 years from the date of issue. The Senate bill provided further that the provisions of the foregoing subsection insofar as they relate to the Bureau of Reclamation and the Secretary of the Interior shall be alternative to and not a substitute for the provisions of the Reclamation Projects Act of 1939 relating to the same subject.

Subsection (c) of the Senate bill provided that section 205 should not be construed to modify the provisions of section 1 of the Flood Control Act of 1944.

The House amendment differed from the Senate provision in the following respects:

The statement of policy contained in subsection (a) of section 205 of the House amendment was the same as in the first paragraph of the Senate bill. In the second subsection, which was lettered (a) in the Senate bill and (b) in the House amendment, the provision of the Senate bill that "storage may be included in any reservoir project to be constructed by the Corps of Engineers" was amended to read "storage may be included in any reservoir project constructed or to be constructed by the Corps of Engineers." That part of the subsection in the Senate bill providing that storage may also be constructed by the Secretary of the Interior was not contained in the House amendment. Nor did the House amendment contain the provisions in the Senate bill regarding storage constructed by the Secretary of the Interior being used in compliance with applicable State laws and interstate compacts and regarding section 8 of the Reclamation Act of 1902 since these provisions had application only to the storage constructed by the Secretary of the Interior under Federal Reclamation laws.

Subsection (c) of the House amendment was the same as the corresponding subsection of the Senate bill, except that the House amendment (1) did not include the Bureau of Reclamation in the provision permitting the Corps of Engineers to construct storage to impound water for present or anticipated future demand for municipal or industrial water, (2) did not contain a provision like the one in the Senate subsection concerning the time of repayment and the interest rate, and (3) did not contain any of the additional provisions concerning the Bureau of Reclamation and the Secretary of the Interior which were in the Senate bill.

The final subsection in the House amendment, subsection (d), which corresponds to subsection (c) of section 205 of the Senate bill, was the same as the Senate bill except that it added section 8 of the Flood Control Act of 1944, so that section 205 (d) of the House amendment provided that section 205 should not be construed to modify the provisions of section 1 and section 8 of the Flood Control Act of 1944.

The proposed conference substitute is as follows:

Subsection (a) concerning policy is the same, with the exception that the term "irrigation" was added in the description of project purposes.

Subsection (b) of the conference substitute, which corresponds to subsection (a) of the Senate provision and subsection (b) of the House amendment, is the same as the House amendment with respect to providing storage for increasing low flows downstream. The conference substitute adds the provision contained in the Senate bill permitting the Secretary of the Interior to include storage for the same purpose and under the same conditions in any reservoir constructed under the Federal Reclamation laws. This is substantially the same as the provision in the Senate bill, except that the provisions regarding compliance with applicable State laws and interstate compacts and the applicability of section 8 of the Reclamation Act of 1902 were not included in the conference substitute since the substitute would provide that storage for low flow constructed by the Secretary of the Interior will be under the Federal Reclamation laws.

Subsection (c) of the conference substitute corresponds to subsection (b) of section 205 of the Senate bill and subsection (c) of section 205 of the House amendment, with the following changes:

(1) The House amendment contained the provision that water could be impounded for present or anticipated future demand or need for municipal or industrial water, or water for other beneficial community use. The Senate provision did not contain the term "or water for other beneficial community use." The proposed conference substitute likewise does not contain this term.

(2) The House amendment did not contain the provision that the Secretary of the Interior could provide storage for water for these purposes as well as the Corps of Engineers. The Senate provision did contain language permitting the Secretary of the Interior and the Bureau of Reclamation to construct such storage. The proposed conference substitute contains the same general provisions as the Senate bill, which would permit the Secretary of the Interior and the Bureau of Reclamation to impound water for the same purposes as the Corps of Engineers and the Secretary of the Army.

(3) The proposed conference substitute also contains a provision that storage for future demand shall not be more than 30 percent of the total estimated cost of the project, and that reasonable assurance be given by States or local interests that the use of such storage for future demand will begin within a period of time to permit paying out the costs allocated to water supply within the life of the project. This pay-out period is similar to that in the Senate bill, but no such provision was contained in the House amendment.

(4) The conference substitute further provides that the entire amount of the construction cost, including interest during construction, allocated to water supply shall be repaid within the life of the project, but in no event to exceed 50 years after the project is first used for the storage of water for such water supply purposes. There was no similar provision in the House amendment, but such a provision was included in the Senate bill, with the exception that in the Senate provision the 50 years would start from the time that the project is first available for the storage of water for any purpose.

(5) The conference substitute further provides that no payment need be made for future water supply until such supply is first used, and that no interest shall be charged on such cost until such supply is first used, but in no case shall the interest-free period exceed 10 years.

(6) The conference substitute contains a provision concerning the interest rate in substantially the same form as in the Senate provision. The House amendment did not contain such a provision.

(7) The conference substitute also states that the provisions of subsection (c) of section 205, insofar as they relate to the Bureau of Reclamation and the Secretary of the Interior, shall be alternative to and not a substitute for the provisions of the Reclamation Projects Act of 1939, relating to the same subject. There was no similar provision in the House amendment, but there was in the Senate bill.

The conference substitute would modify subsection (d) of the House amendment, corresponding to subsection (c) of the Senate bill, by clarifying the reference to the Flood Control Act of 1944 by adding the statement "as amended and extended" after that reference, and by providing that section 8 of the Reclamation Act of 1902 shall not

be modified by section 205. The conference substitute also includes the phrase "nor shall any storage provided under the provisions of this section be operated in such manner as to adversely affect the lawful uses of the water."

Subsection (e) of the conference substitute, would provide that modification of a reservoir project heretofore authorized, surveyed, planned, or constructed, to include storage as provided as subsections (b) and (c) of the conference substitute, which would seriously affect the purposes for which the project was authorized, surveyed, planned, or constructed, or which would involve major structural or operational changes, shall be made only upon the approval of the Congress, as now provided by law.

CLIFFORD DAVIS,
JOHN A. BLATNIK,
ROBERT E. JONES,
J. HARRY MCGREGOR,
RUSSELL V. MACK,
Managers on the Part of the House.

APPENDIX TO STATEMENT OF MANAGERS ON S. 497—DESCRIPTION OF PROJECTS ADDED BY AMENDMENT ON FLOOR OF HOUSE AND AGREED TO IN CONFERENCE WHICH DO NOT APPEAR IN HOUSE REPORT ON S. 497

ATLANTIC COAST OF NEW JERSEY, SANDY HOOK TO BARNEGAT INLET, COOPERATIVE REPORT ON BEACH EROSION CONTROL

(H. Doc. No. 332, 85th Cong.)

Location: The area is the northern 51 miles of the Atlantic Coast of New Jersey in Monmouth and Ocean Counties. It extends from Sandy Hook at the entrance of New York Harbor southward to Barnegat Inlet.

Report authorized by: Section 2 of the River and Harbor Act approved July 3, 1930, as amended and supplemented. The main report is printed in House Document No. 361, 84th Congress, 2d session, but there is a supplemental report by the Chief of Engineers dated September 9, 1957, which recommends Federal participation in annual nourishment on the basis of Public Law 826, 84th Congress.

Plan of recommended improvement: Restoration and protection of the shore by extension of 14 existing groins in the Sea Bright to Ocean Township section, artificial placement of initial fill of 14 million cubic yards of sand, and construction of 23 new groins. Periodic nourishment of the beach, with Federal participation during the first 10 years, is recommended.

Estimated cost

	Federal	Non-Federal	Total
Sea Bright to Ocean Township	$4,150,000	$16,497,000	$20,647,000
Asbury Park to Manasquan	1,823,000	3,646,000	5,469,000
Point Pleasant Beach to Seaside Park	782,000	1,782,000	2,564,000
Total	6,755,000	21,925,000	28,680,000

Local cooperation: Obtain approval by the Chief of Engineers, prior to commencement of work on any section, of detailed plans and specifications for that section, including the sequence of construction and arrangements for prosecuting the work in that section; provide at their own expense all necessary lands, easements, and rights-of-way; furnish assurances satisfactory to the Secretary of the Army that they will: (1) Maintain the protective and improvement measures during their economic life (50 years), including periodic nourishment of the shore at suitable intervals, as may be required to serve their intended purpose; (2) prevent water pollution that would endanger the health of bathers; and (3) maintain, for the duration of the economic life of the project, continued public ownership of the publicly owned shores and their administration for public use, and continued availability for public use of the privately owned shores upon which a portion of the Federal participation is based.

Project economics

	Annual charges	Annual benefits	Benefit-cost ratio
Sea Bright to Ocean Township	$1,052,000	$1,094,160	1.04
Asbury Park to Manasquan	598,400	1,027,100	1.72
Point Pleasant Beach to Seaside Park	322,300	705,000	2.19

Comments of the Bureau of the Budget: No objection to submission of the proposed report to the Congress.

BEACH EROSION CONTROL REPORT ON COOPERATIVE STUDY OF BERRIEN COUNTY, MICH.

(H. Doc. No. 336, 85th Cong.)

Location: On the east shore of Lake Michigan, extending about 32 miles immediately north of the Michigan-Indiana State line.

Report authorized by: Section 2 of the River and Harbor Act approved July 3, 1930, as amended. The application was approved October 8, 1954.

Existing project: No existing Federal project for beach erosion.

Plan of recommended improvement: Consists of protection of a 13,360-foot reach of shore in the city of St. Joseph south of the harbor by placement of suitable sand to form a protective beach with width of 50 feet at elevation 8 feet, and with protective berm at elevation 10 feet at the base of the bluffs. There would be Federal participation in the initial fill and in the nourishment for a 10-year period.

Estimated cost

Project documented (June 1956):

Federal	$226,000
Non-Federal	774,000
Total	1,000,000

Local cooperation: Federal participation in the project would be subject to conditions that local interests, will: (a) obtain approval of the Chief of Engineers, prior to commencement of work, of detailed plans and specifications for the project, and also of the arrangements for prosecuting the work; (b) provide at their own expense all necessary lands, easements, and rights-of-way; and (c) furnish assurances satisfactory to the Secretary of the Army, that they will: (1) provide periodic nourishment of the protective beach during its economic life, as may be required to serve its intended purpose; (2) prevent water pollution that would endanger the health of bathers; and (3) maintain continued public ownership of the public shore upon which a part of the recommended Federal participation is based, and its administration for public use during the economic life of the project, and continued availability for public use of the private shore for which the recommended Federal participation is based on such public use.

Project economics

Annual charges	$69,770
Annual benefits	$163,640
Benefit-cost ratio	2.3

Comments of the Bureau of the Budget: No objection to submission of the proposed report to the Congress.

CHARTIERS CREEK AT WASHINGTON, PA.

(H. Doc. No. 286, 85th Cong., 2d sess.)

Location: Chartiers Creek drains about 277 square miles in southwestern Pennsylvania and joins the Ohio River at McKees Rocks, immediately below Pittsburgh.

Report authorized by: Committee on Public Works resolution adopted July 15, 1947.

Existing project: Chartiers Creek drains about 277 square miles in southwestern Pennsylvania and joins the Ohio River at McKees Rock, immediately below Pittsburgh, Pa.

Plan of recommended improvement: Provides for improvement of Chartiers Creek for flood control at the city of Washington and adjoining Canton Township, Pa., by enlargement and straightening of the channel for a distance of 1.7 miles downstream from the Hayes Avenue Bridge, with appurtenant works.

Estimated cost

Federal	$1,286,000
Non-Federal	254,000
Total	1,540,000

Local cooperation: Local interests must furnish without cost to the United States all lands, easements, and rights-of-way necessary for the construction of the project; hold and save the United States free from damages due to the construction works, including, among other things, the occasional impoundment of floodwaters during major floods associated with the proposed deflection dike; maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of the Army; bear the cost of new highway bridges, street adjustments, and utility changes required for the project; and prescribe and enforce regulations designed to prevent encroachments on the improved channel.

Project economics

Annual charges	$58,000
Annual benefits	$72,000
Benefit-cost ratio	1.24

Comments of the Bureau of the Budget: No objection to submission of report.

CHEFUNCTE RIVER AND BOGUE FALIA, LA.

(S. Doc. No. 54, 85th Cong.)

Location: Chefuncte River is in southeast Louisiana discharging into Lake Pontchartrain on the north shore opposite New Orleans.

Report authorized by: Resolution of Committee on Public Works, United States Senate, adopted July 14, 1953.

Existing project: The Federal navigation project extends up the Chefuncte River and Bogue Falia, its main tributary, to the city of Covington. It provides for a channel 8 feet deep from Lake Pontchartrain via the two streams to Covington, a distance of 14 miles. The project was completed in 1929.

Plan of improvement: Provides for modification of the existing project for Chefuncte River and Bogue Falia, La., to provide for a channel 10 feet deep at mean low gulf level over a bottom width of 125 feet from that depth in Lake Pontchartrain to mile 3.5 of Chefuncte River.

Estimated cost

Federal	$48,000
Non-Federal	-------
Total	48,000

Local cooperation: Local interests must agree to (a) provide without cost to the United States all lands, easements, rights-of-way, and spoil-disposal areas necessary for construction of the improvement and for subsequent maintenance, when and as required; and (b) hold and save the United States free from damages due to construction and maintenance of the project.

Project economics

Annual charges	$6,700
Annual benefits	$14,280
Benefit-cost ratio	2.1

Comments of the Bureau of the Budget: No objection to submission of report.

GALVESTON HARBOR AND HOUSTON SHIP CHANNEL

(H. Doc. No. 350, 85th Cong., 2d sess.)

Location: On Texas coast 328 miles west of the mouth of the Mississippi River and 278 miles northeast of the Rio Grande.

Report authorized by: House Public Works Committee resolutions adopted February 17, 1950, April 21, 1950, and June 27, 1956.

Existing project: Entrance channel 38 feet deep and 800 feet wide and inner channel 36 feet deep and 300 to 400 feet wide.

Plan of recommended improvement: Dredging Galveston Harbor and Channel (entrance channel) to 42' x 800' from gulf to a point 2 miles west of seaward end of north jetty, thence 40' x 800' decreasing to 40' x 400' at junction with Houston Ship Channel. Dredging Houston Ship Channel to a depth of 40 feet from Bolivar Roads to the lower end of Brady Island and in Hunting Bayou turning basin with an increase in width to 400 feet from a point 5,000 feet above Baytown to Boggy Bayou; rectifying the alinement between Carpenters Bayou and Greens Bayou and easing 13 curves between Morgan Point and Brady Island; substitution of the Clinton Island turning basin (40' x 500' x 900') for the Brady Island turning basin; an 8' x 125' channel through Five-Mile Cut; a 10' x 60' channel through Turkey Bend cutoff; closure of upstream end of Turkey Bend channel with an earth dam; and deauthorization of the upper end of the Turkey Bend Channel.

Estimated cost

Corps of Engineers	$17,195,700
Navigation aids	75,400
Federal	17,271,100
Non-Federal	1,705,300
Total	18,976,400

Local cooperation: (a) Lands, easements, rights-of-way, and spoil disposal areas; (b) alterations of pipelines, powerlines, telephone and telegraph lines, bulkheads, revetments, wharves, and other structures and utilities; and (c) hold and save the United States free from damage due to the construction of the works.

Project economics

Annual charges	$791,500
Annual benefits	$1,380,000
Benefit-cost ratio	1.74

Comments of the Bureau of the Budget: No objection to submission of the report to Congress.

HULL CREEK, VA.

(H. Doc. No. 287, 85th Cong., 2d sess.)

Location: Hull Creek is a tidal estuary on the right bank of the Potomac River about 9 miles upstream from Chesapeake Bay.

Report authorized by: River and Harbor Act approved July 24, 1946.

Existing project: No existing Federal project on Hull Creek.

Plan of recommended improvement: Provides for an entrance channel 6 feet deep and 60 feet wide from that depth in the Potomac River through the mouth of Hull Creek to water of the same depth in Rogers Creek, a distance of about 2,350 feet, protected by twin stone jetties having a total length of approximately 3,950 feet and extending from the shore to the 8-foot depth in the Potomac River.

Estimated cost

Federal	$269,800
Non-Federal	[1] 85,800
Total	355,600

[1] Cash contribution of $72,400.

Local cooperation: Contribute in cash a contribution presently estimated at $72,400; and furnish without cost to the United States all lands, easements, rights-of-way, and spoil-disposal areas necessary for construction and subsequent maintenance, when and as required; hold and save the United States free from damages, including damages to oysterbeds, due to construction and maintenance of the project; provide and maintain an adequate landing and parking area adjacent to the public wharf and a public-access road thence to State Route No. 706: *And provided further*, That the authorization shall expire 5 years from the date on which local interests are notified in writing by the Corps of Engineers of the requirements of local cooperation unless local interests within the prescribed 5-year period furnish assurances satisfactory to the Secretary of the Army that the required local cooperation will be forthcoming.

Project economics

Annual charges	$20,610
Annual benefits	$25,910
Benefit-cost ratio	1.26

Comments of the Bureau of the Budget: No objection to submission of the report to the Congress; however, the Bureau of the Budget recommends against authorization of the project at this time.

The Bureau notes that the director of the Department of Conservation and Development of the State of Virginia states that it is doubtful that local interests will be able to contribute in cash 21.2 percent of the initial cost of the work. It states that it would appear that harbors of adequate depth are available 5 miles upstream at Coan River and 9 miles downstream at Little Wicomico River. The Bureau of the Budget considers that because of the proximity of adequate existing harbors, no urgency exists for the authorization of the recommended improvement of Hull Creek without the customary assurances from local interests that they are willing and able to meet the necessary requirements of local cooperation.

HUMBOLDT BAY (BUHNE POINT), CALIF., BEACH EROSION CONTROL

(H. Doc. No. 282, 85th Cong.)

Location: Humboldt Bay is located on the coast of California about 225 nautical miles north of San Francisco.

Report authorized by: Section 2 of the River and Harbor Act approved July 3, 1930.

Existing project: There is no existing beach-erosion project.

Plan of improvement: Provides for Federal participation by the contribution of Federal funds in amount of 21 percent of the first costs of protecting the shore of Buhne Spit, Calif., by construction of a seawall about 800 feet long and one groin about 790 feet long.

Estimated cost

Federal	$38,200
Non-Federal	143,800
Total	182,000

Local cooperation: Local interests must obtain approval by the Chief of Engineers of detailed plans and specifications, including arrangements for prosecution of the work, provide at their own expense all necessary lands, easements, and rights-of-way; and furnish assurances satisfactory to the Secretary of the Army that they will maintain the protective measures during their economic life, as may be required to serve their intended purpose.

Project economics

Annual charges	$9,140
Annual benefits	$13,570
Benefit-cost ratio	1.48

Comments of the Bureau of the Budget: No objection to submission of the report.

INTRACOASTAL WATERWAY, JACKSONVILLE TO MIAMI, FLA.

(H. Doc. No. 222, 85th Cong.)

Location: The Intracoastal Waterway, Jacksonville to Miami, generally traverses lagoons along the east coast of Florida. It is an important tributary of the Intracoastal Waterway system which reaches northward to Trenton, N. J., New York City, and Boston, Mass.

Report authorized by: River and Harbor Act approved March 2, 1945.

Existing project: Provides for a channel 12 feet deep and 125 feet wide with side channels and basins at Jacksonville Beach and Sebastian, and a turning basin adjacent to the waterway at Vero Beach. The project is 370 miles long, including 21 miles in St. Johns River.

Plan of recommended improvement: Provides for modification of the existing project for the Intracoastal Waterway, Jacksonville to Miami, Fla., to provide for maintenance of the entrance channel to Daytona Beach yacht basin to a depth of 8 feet, a width of 80 feet, and a length of 1,800 feet.

Estimated cost: Maintenance only.

Local cooperation: Local interests must agree to: (a) Furnish without cost to the United States all lands, easements, rights-of-way, and suitable spoil-disposal areas for the maintenance, when and as required; (b) hold and save the United States free from damages due to maintenance of the channel; (c) maintain and operate the basin other than the entrance channel; and (d) provide a suitable public landing with supply facilities, open to all on equal terms.

Project economics

Annual charges	$590.00
Annual benefits	$3,820.00
Benefit-cost ratio	6.47

Comments of the Bureau of the Budget: No objection to submission of the report to Congress.

MISSISSIPPI RIVER AT ST. PAUL AND SOUTH ST. PAUL, MINN. (INTERIM REPORT)

(H. Doc. No. 223, 85th Cong.)

Location: The Mississippi River Basin above St. Paul contains about 36,800 square miles, most of which are in central and southern Minnesota. The area under consideration extends along the Mississippi River between miles 843 and 832 above the mouth of the Ohio River.

Report authorized by: Resolutions of the Committee on Flood Control, House of Representatives, adopted September 18, 1944.

Existing project: There are no Federal flood-control improvements in the reach of the river under consideration.

Plan of recommended improvement: Provides for local protection works on the right bank of the Mississippi River at St. Paul and South St. Paul, Minn., by constructing about 10,000 feet of earth levee and 2,850 feet of concrete floodwall between river miles 840.2 and 838.3 at St. Paul and raising, strengthening, and extending the existing levee at South St. Paul by constructing about 9,360 feet of levee enlargement and extension and 3,670 feet of concrete floodwall between river miles 834.5 and 832.6, together with the necessary closure structures, interior drainage facilities, pumping stations, and appurtenant works at both localities.

Estimated cost

	St. Paul	South St. Paul
Federal	$3,137,800	$2,567,700
Non-Federal	641,700	124,500
Total	3,779,500	2,691,500

Local cooperation: Local interests must give assurances that they will: (a) Provide without cost to the United States all lands, easements, and rights-of-way necessary for construction of the improvements; (b) hold and save the United States free from damages due to the construction works; (c) maintain and operate all the works after

completion in accordance with regulations prescribed by the Secretary of the Army; (d) make at their own expense all necessary changes to utilities and highway bridges including approaches; and (e) furnish in cash or equivalent construction work a contribution equal to 14.3 percent of the gross Federal first cost of the improvements at St. Paul and 1.89 percent of that at South St. Paul, such contributions being presently estimated at $525,200 and $49,500, respectively, and provided further that improvement at either locality may be undertaken independently of the other whenever funds for that purpose are available and the prescribed local cooperation has been provided.

Project economics

	St. Paul	South St. Paul
Annual charges	$146,540	$107,000
Annual benefits	$162,190	$124,700
Benefit-cost ratio	1.11	1.17

Comments of the Bureau of the Budget: No objection to submission of the report to the Congress.

NARRAGANSETT BAY, R. I. AND MASS. (INTERIM REPORT)

(H. Doc. No. 230, 85th Cong., 1st sess.)

Location: The Narragansett Bay area includes about one-half of the total area of Rhode Island, extending northerly past Providence, the State Capital, about three-fourths of the length of the State.

Report authorized by: Public Law 71, 84th Congress, approved June 15, 1955.

Existing project: There are no existing or authorized hurricane-tide projects.

Plan of recommended improvement: Provides for alleviation of storm-tide damage and loss of life in the Providence area of Narragansett Bay, R. I. and Mass., by construction of a barrier about 1,100 feet long across the Providence River at Fox Point to a grade of about 22.5 feet above mean sea level with accessory pump, sluices, cooling-water inlet facilities, and seawalls at each end with stop-log structures.

Estimated cost

Federal	$16,180,000
Non-Federal	320,000
Total	16,500,000

Local cooperation: Local interests must give assurances that they will: (a) furnish without cost to the United States all lands, easements, and rights-of-way; (b) accomplish without cost to the United States all relocations of buildings, utilities, sewers, roads, and related facilities made necessary by the work; (c) hold and save the United States free from damages due to the construction works; and (d) maintain and operate the improvements after completion in accordance with regulations prescribed by the Secretary of the Army.

Project economics

Annual charges	$732,000
Annual benefits	$1,733,000
Benefit-cost ratio	2.37

Comments of the Bureau of the Budget: The Bureau advises that there is no objection to the submission of the report to Congress; however, it recommends that the project not be authorized until there has been an opportunity to review further the implications of the new Federal program of hurricane flood protection proposed by the Chief of Engineers. They also state that, in view of the predominantly local character of the anticipated benefits, it is considered especially important that further study be given to the degree of non-Federal participation in the cost of such projects.

NEW BEDFORD, FAIRHAVEN, AND ACUSHNET, MASS.

(S. Doc. No. 59, 85th Cong., 1st sess.)

Location: The city of New Bedford and the town of Fairhaven, Mass., are located in Bristol County, about 50 miles south of Boston, Mass., and about 30 miles southeast of Providence, R. I. The town of Acushnet adjoins Fairhaven on the north.

Report authorized by: Public Law 71, 84th Congress, 1st session, approved June 15, 1955, and a resolution of the Senate Public Works Committee, adopted November 9, 1954.

Existing project: There is no existing hurricane protection project.

Plan of improvement: Provides for construction of an earthfill dike, about 4,430 feet long, across New Bedford and Fairhaven Harbor at Palmer Island with a connecting dike and seawall at the west end about 4,200 feet long; a dike and seawalls at the head of Clark Cove about 5,920 feet long; a dike in southeast Fairhaven about 3,620 feet long; and other appurtenant works.

Estimated cost

Federal	$15,490,000
Non-Federal	[1] 1,710,000
Total	17,200,000

[1] Includes a cash contribution of $1,560,000.

Local cooperation: Provide lands, easements, and rights-of-way; hold and save the United States free of damages; accomplish relocations; maintain and operate the project with the exception of the main harbor barrier; and contribute in cash 9.1 percent of the construction cost, presently estimated at $1,560,000, in lieu of annual maintenance and operation of the main harbor barrier.

Project economics

Annual charges	$691,000
Annual benefits	$987,900
Benefit-cost ratio	1.4

Comments of the Bureau of the Budget: The Bureau advises that there is no objection to the submission of the report to Congress; however, it recommends that the project not be authorized until there has been an opportunity to review further the implications of the new Federal program of hurricane flood protection proposed by the Chief of Engineers. They also state that, in view of the predominantly local character of the anticipated benefits, it is considered especially important that further study be given to the degree of non-Federal participation in the cost of such projects.

PALM BEACH COUNTY FROM LAKE WORTH INLET TO SOUTH LAKE WORTH INLET, FLA.

(H. Doc. No. 342, 85th Cong.)

Location: The area comprises the shore of Palm Beach Island on the east coast of Florida between Lake Worth Inlet and South Lake Worth Inlet including the towns of Palm Beach, Lake Worth, Lantana, and Manalapan.

Report authorized by: Section 2 of the River and Harbor Act approved July 3, 1930, as amended.

Existing project: The Federal project adopted May 17, 1950, authorized Federal participation, subject to certain conditions, in the improvement of the shore at Palm Beach by placing 1 million cubic yards of material in 5 stockpiles. Federal participation is one-third of the cost chargeable to the publicly owned frontage.

Plan of recommended improvement: The plan provides for modification of the existing project by restoration of a protective beach from Lake Worth Inlet to South Lake Worth Inlet 10 feet in height and varying in width from 100 to 150 feet, construction and operation of a sand transfer plant at Lake Worth Inlet, and additional periodic nourishment.

Estimated cost

	Federal	Non-Federal	Total
Beach fill drainage work	$123,300	$2,499,700	$2,623,000
Sand transfer plant	99,200	414,800	514,000
Total	222,500	2,914,500	3,137,000

Local cooperation: Local authorities will obtain approval of the Chief of Engineers of detailed plans except for the sand transfer plant now under contract; modify the discharge line; provide lands, easements, and rights-of-way; maintain the protective measures; provide periodic nourishment; operate the sand transfer plant; control water pollution; and maintain continued public ownership of the shores.

Project economics

Annual charges	$301,060
Annual benefits	$632,500
Benefit-cost ratio	2.1

Comments of the Bureau of the Budget: No objection to submission of the report to the Congress.

PORT ARANSAS-CORPUS CHRISTI WATERWAY, TEX.

(H. Doc. No. 361, 85th Cong.)

Location: The Port Aransas-Corpus Christi Waterway, which provides deepwater channels to the ports of Harbor Island, Ingleside, La Quinta, and Corpus Christi, is located about 180 miles southwest of Galveston and 132 miles north of the mouth of the Rio Grande.

Report authorized by: Resolutions of the Committee on Public Works of the House of Representatives adopted September 27, 1951 and June 27, 1956.

Existing project: The authorized Federal project consists of a jettied entrance channel having a depth of 38 feet and width of 700 feet decreasing to 36 feet and 600 feet wide; a channel 36 feet deep and 400 feet wide across Turtle Cove and Corpus Christi Bay to a turning basin at Corpus Christi, thence 200 feet wide to Tule Lake and another turning basin. Other channels extend to turning basins at La Quinta, Port Aransas, and Harbor Island.

Plan of recommended improvement: The proposed plan consists of deepening the outer bar channel to 42 feet, thence decreasing to 40 feet in the jetty channel and across Corpus Christi Bay to the Corpus Christi turning basin, thence to the Tule Lake Basin; deepen the chemical turning basin, dredged by local interests, to 40 feet; the Industrial Canal to be widened to 400 feet; construct the Viola Channel, 40 feet deep and 200 feet wide, 2.2 miles long from the Tule Lake turning basin to a basin of the same depth 700 to 900 feet wide and 1,000 feet long; the Jewel Fulton Canal to be enlarged to a depth of 12 feet, width of 100 feet, and 4,800 feet long to a turning basin. It is further recommended that the modification be authorized with the provision that local interests have the privilege of selecting the Clara Driscoll Channel in lieu of the Viola Channel at the time of construction at no additional cost to the United States.

Estimated cost

Federal	$6,272,000
Non-Federal	[1] 1,806,600
Total	8,078,600

[1] Includes $1,372,000 cash contribution.

Local cooperation: Local interests agree to (a) contribute in cash 50 percent of the total cost of dredging and levee construction of the Viola Channel and turning basin, and such payments totaling an estimated

$1,372,000, may be paid either in lump sum prior to construction or in installments in accordance with construction schedules as required by the Chief of Engineers with final allocation of cost after actual costs have been determined; (b) furnish all lands, easements, rights-of-way, and spoil-disposal areas for construction and subsequent maintenance; (c) bear the cost of altering all utilities; and (d) hold and save the United States free from damages.

Project economics

Annual charges	$305,300
Annual benefits	$858,550
Benefit-cost ratio	2.8

Comments of the Bureau of the Budget: No objection to submission of the report to Congress.

PORT EVERGLADES HARBOR, FLA.

(H. Doc. No. 346, 85th Cong.)

Location: Port Everglades is on the lower east coast of Florida about 23 miles north of Miami.

Report authorized by: Senate Public Works Committee resolution adopted February 26, 1954, and House Public Works Committee resolution adopted July 29, 1954.

Existing project: Provides for entrance channel 7,300 feet long and 500 feet wide at seaward end, converging to 400 feet at jetty entrance, thence converging to 300 feet at a point 1,000 feet within the jetty entrance, and thence 300 feet wide to the flaring at the inner end, and a turning basin extending 1,200 feet east and west, and 2,250 feet north and south over most of its length, all to a depth of 35 feet; maintenance of two converging rubblestone jetties and two parallel steel pile bulkheads at the land points.

Plan of recommended improvement: Modification of the existing project to provide for an entrance channel 40 feet deep and 500 feet wide from deep water to station 41+00 converging to 300 feet at station 51+00, thence 37 feet deep and 300 feet wide, all on an alinement 15 feet northward from its present position, to an irregularly flared entrance, at station 74+50, and turning basin 2,450 feet along the westerly side and 800 feet along the north side and 1,200 feet along the south side with an extension to the southward having a length of 500 feet and a width varying from 400 to 200 feet, all to a depth of 37 feet; with one extension of the turning basin 1,200 feet to the north tapering from 800 to 500 feet, and another 1,200 feet to the south with an east-west length of 1,100 feet, both to depths of 31 feet.

Estimated cost (February 1957)

Federal	[1] $6,683,000
Non-Federal	492,000
Total	[1] 7,175,000

[1] Exclusive of $9,000 for navigation aids.

Local cooperation: Furnish lands, easements and rights-of-way including a valid easement for parcel B required under the existing project; hold and save; provide and maintain adequate public terminal and transfer facilities open to all on equal terms; provide adequate dikes around spoil-disposal areas; promptly dredge required slips and berthing strips and maintain their depth; contribute in cash 6.4 percent of cost of construction, an amount estimated at $457,000.

Project economics

Annual charges	$274,800
Annual benefits—navigation and land enhancement	$602,200
Benefit-cost ratio	2.19

Comments of the Bureau of the Budget: Construction should be scheduled to defer initiation of work on south turning basin until after north turning basin is completed; no objection to submission of report to Congress.

SANTA CRUZ HARBOR, SANTA CRUZ, CALIF.

(H. Doc. No. 357, 85th Cong.)

Location: Santa Cruz Harbor is on the north end of Monterey Bay 65 miles south of the entrance to San Francisco Bay.

Report authorized by: River and Harbor Act of July 24, 1946.

Existing project: There is no existing Corps of Engineers project at Santa Cruz Harbor.

Plan of recommended improvement: Small-boat harbor with an entrance channel 20 feet deep and 100 feet wide, protected by parallel jetties, a sand bypassing plant when and if needed, an inner channel varying from 15 feet to 10 feet in depth and from 100 feet to 150 feet in width, and a turning basin 10 feet by 250 feet by 300 feet in Woods Lagoon between Monterey Bay and the Southern Pacific railway bridge to provide berthing space for 260 recreational craft and mooring space in the turning basin for the fishing fleet.

Estimated cost

Federal	$1,612,000
Non-Federal	964,000
Total	2,576,000

Local cooperation: Prior to construction local interests are required to agree to: (a) contribute in cash 35.1 percent of the first cost of jetties, channels, and the turning basin, a contribution presently estimated at $740,000; (b) contribute in cash 35.1 percent of the first cost of the sand bypassing plant, when and if required, a contribution presently estimated at $118,000; (c) provide without cost to the United States all necessary lands, easements, rights-of-way, suitable spoil-disposal areas, and a source of royalty-free jetty stone; (d) hold and save the United States free from damages; (e) acquire and hold lands for construction of the turning basin and public utilization thereof; (f) provide without cost to the United States bulkheads, levees, revetments, relocations, all dredging in the berthing areas, and a public landing open to all on equal terms; (g) provide suitable marine-repair facilities; (h) operate and maintain sand bypassing plant and maintain project, except for jetties, with reimbursement from the United States for actual cost of operation, maintenance, and replacement of bypassing plant up to $35,000 annually: *Provided*, That, until sand bypassing plant is needed, Federal Government to maintain entrance channel, main interior channel, and turning basin in addition to jetties.

Project economics

Annual charges	$155,000
Annual benefits	$254,540
Benefit-cost ratio	1.64

Comments of the Bureau of the Budget: Not yet received.

SAN DIEGUITO RIVER, SAN DIEGO COUNTY, CALIF.

(H. Doc. No. 288, 85th Cong., 2d sess.)

Location: San Dieguito River drains 347 square miles in San Diego County, Calif., and empties into the Pacific Ocean near Del Mar, about 95 miles southeast of Los Angeles.

Report authorized by: Flood Control Act approved August 18, 1941.

Existing project: There are no Federal improvements for flood control in the basin.

Plan of recommended improvement: Participation by the United States in the cost of a multiple-purpose dam to be constructed by local interests at the Hodges site, mile 13 on San Dieguito River, Calif. The reservoir would have a storage capacity of 375,000 acre-feet, of which 85,000 acre-feet would be reserved for flood control.

Estimated cost

Federal	$1,961,000
Non-Federal	18,339,000
Total	20,300,000

Local cooperation: Federal participation is subject to the conditions that: (1) local interests finance, construct, operate, and maintain the project, and furnish assurances satisfactory to the Secretary of the Army that they will (a) operate the project for flood control in accordance with rules and regulations to be prescribed by the Secretary of the Army, (b) hold and save the United States free from damages, and (c) prescribe and enforce regulations designed to prevent encroachment on the channel and enforce regulations designed to prevent encroachment on the channel between the dam and ocean.

Project economics

Annual charges	$771,200
Annual benefits	$882,400
Benefit-cost ratio	1.14

Comments of the Bureau of the Budget: No objection to submission of the report.

SUN RIVER AT GREAT FALLS, MONT.

(H. Doc. No. 343, 85th Cong.)

Location: Sun River drains 2,300 square miles on the eastern slope of the Rocky Mountains in west-central Montana and joins the Missouri River at Great Falls.

Report authorized by: Resolution of the Committee on Public Works, House of Representatives, adopted July 15, 1947.

Existing project: There are no Federal improvements for flood control.

Plan of recommended improvements: Provides for improvement of Sun River, Mont., for local flood protection at Great Falls, by means of levees about 8 miles long, interception ditches about 3.75 miles long, channel rectification, and appurtenant works.

Estimated cost

Federal	$1,405,000
Non-Federal	715,000
Total	2,120,000

Local cooperation: Provide without cost to the United States all lands, easements, and rights-of-way; hold and save the United States free from damages; perform without cost to the United States, all necessary removal or alteration of existing buildings and other improvements and all necessary alterations to bridges and approaches (except railroad), roads, streets, sewers, and other utilities; zone the unleveed portion of the flood channel through the damage area; maintain and operate; and contribute in cash 2.16 percent of the actual construction cost of all items of work to be provided by the United States, a contribution currently estimated at $31,000.

Project economics

Annual charges	$77,600
Annual benefits	$119,800
Benefit-cost ratio	1.54

Comments of the Bureau of the Budget: No objection to submission of the report to Congress.

TEXAS CITY, TEX.

(H. Doc. No. 347, 85th Cong.)

Location: Texas City is located on the southwest shore of Galveston Bay about 9 miles northwest of Galveston, Tex.

Report authorized by: Flood Control Act approved June 30, 1948.

Existing project: There is no Federal project for flood control in the area.

Plan of recommended improvement: Enlargement of the existing flood wall to 16 feet on the bay side of Texas City and construction of new wall from existing seawall

to and through Monsanto Chemical Co. area. Construction of a new levee to 18-foot elevation along the east, south, and west side of the industrial area to high ground in Le Marque. Construction of a levee to 18-foot elevation northward from the existing levee along the shore of Galveston Bay, Dickinson Bay and Bayou to the Galveston County Water Co. reservoir. Also construction of a navigation opening at Moses Lake, necessary stoplog opening for railroads and highways, two pumping plants for interior drainage and other required drain structures.

Estimated cost

Federal	$6,166,000
Non-Federal	2,123,000
Total	8,289,000

Local cooperation: Local interests furnish assurances that they will: (a) provide without cost to the United States all lands, easements, and rights-of-way; (b) hold and save the United States free from damages; (c) make all changes, alterations to, or relocations of any buildings and utilities made necessary by the work; (d) maintain and operate the works after completion; (e) contribute in cash, or items of work of equal value acceptable to the Chief of Engineers, a total sum equal of 16 percent of the construction cost, presently estimated at $1,153,000.

Project economics

Annual charges	$334,000
Annual benefits	$1,453,000
Benefit-cost ratio	4.4

Comments of the Bureau of the Budget: No objection to submission of the report; however, Bureau of the Budget recommends the project not be authorized until there has been an opportunity to review further the implications of the new program of hurricane flood protection proposed by the Chief of Engineers. In view of the predominantly local character of the benefits anticipated from these projects, it is considered especially important that further study be given to the degree of non-Federal participation in the cost of such projects.

VERMILION HARBOR, OHIO

(H. Doc. No. 231, 85th Cong., 1st sess.)

Location: Vermilion Harbor, at the mouth of Vermilion River, is on the south shore of Lake Erie, about 30 miles west of Cleveland.

Report authorized by: River and Harbor Act approved March 2, 1945.

Existing project: Provides for two parallel piers, 125 feet apart, with an aggregate length of 2,200 feet extending from the shore at the mouth of the river to a natural depth of 10 feet in the lake, and a channel 100 feet wide and 12 feet deep between the piers and beyond to deep water in the lake.

Plan of recommended improvement: Modification of the existing project to provide for a new entrance, 150 feet wide about 500 feet lakeward of the outer end of the east pier, formed by two overlapped arrowhead breakwaters, 1 about 725 feet and the other about 225 feet long; and extension of the channel for a width varying from 100 feet to 80 feet at a depth of 8 feet below low-water datum in the river upstream of the existing project to the Liberty Street Bridge.

Estimated cost

Federal	$474,000
Non-Federal	[1] 365,300
Total	839,300

[1] Cash contribution, $343,000.

Local cooperation: Local interests are required to (a) furnish without cost to the United States all necessary lands, easements, rights-of-way, and spoil-disposal areas for the construction and maintenance of the project, when and as required; (b) hold and save the United States free from damages due to the construction and maintenance of the project; (c) provide and maintain necessary mooring facilities for transient craft, include a public landing, open to all on equal terms; (d) establish a competent and properly constituted public body empowered to regulate the use of the harbor facilities with the understanding that the facilities shall be open to all on equal terms; (e) make necessary alterations to utilities including the submarine cable crossing; and (f) contribute in cash 42 percent of the initial cost of constructing the breakwaters and channel, a contribution presently estimated at $343,000.

Project economics

Annual charges	$34,760
Annual benefits	$107,700
Benefit-cost ratio	3.1

Comments of the Bureau of the Budget: No objection to submission of the report to Congress.

Mr. DAVIS of Tennessee. Mr. Speaker, we think we have this bill in good shape. The committee and the House acted very carefully and thoroughly on the advice of the engineers. The bill was thoroughly debated on the floor of the House. All of the conferees signed the report.

Mr. Speaker, I do not have any requests for time on this side.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. ASPINALL. Mr. Speaker, I would like to ask one of the members of the conference committee this question. I note that the conference committee inserted language in subsection (d) of 205 which states that the storage authorized for municipal and industrial water and for increasing low flows shall not be operated in such manner as to adversely affect the lawful uses of the water. I am pleased to see that language included and I interpret this language as protecting all uses of water for which rights have been initiated or perfected under the laws of the several States. I would like to ask some member of the conference committee if my interpretation of this language is correct.

Mr. DAVIS of Tennessee. It is correct.

Mr. ASPINALL. I thank the gentleman.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. McGREGOR. Mr. Speaker, first may I ask unanimous consent to revise and extend my remarks and include certain graphs relative to this legislation.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, the conferees made quite a concession relative to this rivers and harbors omnibus bill. Your House conferees signed the report because we felt it our duty to follow the will of the House and the will of the House was favorable to the bill. The Member from Ohio is not any more in favor of this bill now than he was when it passed here some days ago because, in reality, there have been some projects added to the bill that come under the same category of not having the endorsement and recommendation of the Army Engineers, the Secretary of Defense or the Bureau of the Budget. I will insert in the RECORD at this point matter setting forth the projects that have not had such endorsement.

S. 497, as passed by the House, contained $303,395,500 in projects to which the minority objected on the basis of adverse recommendations of the Secretary of the Army, the Chief of Engineers, or the Bureau of the Budget.

S. 497, as agreed to in conference, contained a total of $349,908,300 in projects to which there was objection by the Secretary of the Army, Chief of Engineers, or the Bureau of the Budget, or for which reports were lacking. The list of projects follows:

Project:	*Estimated project cost*
Title I, rivers and harbors:	
LaQuinta Channel, Tex	$954,000
Hull Creek, Va	269,800
Mississippi River at Alton, Ill., small boat harbor	101,000
Port Washington Harbor, Wis	2,932,000
Irondequoit Bay, N. Y	1,938,000
Water-hyacinth control (5-year program)	5,062,500
Port Austin, Mich	164,000
Title II, flood control:	
New Bedford, Fairhaven, and Acushnet, Mass	[1] 15,490,000
Narragansett Bay area, Rhode Island and Massachusetts [1]	16,180,000
Mohawk River at Rome, N. Y	240,000
Hendry County, Fla	3,172,000
Tombigbee River Basin, Ala. and Miss	19,711,000
White River backwater, Arkansas	2,380,000
Bouef, Tensas, and Bayou, Macon, Ark	1,212,000
Greenville Harbor, Miss	2,530,000
Navarro Mills Reservoir, Tex.[4]	856,000
Red-Ouachita River Basin, Ark. and Okla., Milwood and alternatives [2]	109,480,000
Galveston Bay, Texas City, Tex.[1]	6,166,000
White River Basin, Gilbert and Lone Rock Reservoirs, Ark.[3]	57,000,000
Pecos River at Carlsbad, N. Mex	2,066,000
Rio Grande at Socorro, N. Mex	3,152,000
Saylorville Reservoir, Iowa	44,500,000
Kaskaskia River, Ill	23,000,000
St. Joseph's Indian School, South Dakota	42,000
Fort Pierre, S. Dak., sewers	120,000
Fort Pierre, S. Dak., water	25,000
Pierre, S. Dak., sewer facilities	210,000
Chamberlain, S. Dak., water	5,000
Eagle Butte School, South Dakota	10,000
Saline River and tributaries, Illinois	5,970,000
Middle Gila River Basin, Ariz	1,570,000
Buchanan Reservoir, Calif	10,900,000
Hidden Reservoir, Calif	12,500,000
Grand total	349,908,300

[1] Hurricane damages.

[2] S. 497 as reported fails to make provision for cost of modifications of Corps of Engineers report estimated by the Corps of Engineers at $56,245,000.

[3] S. 497 as reported provides for authorization of additional features in White River Basin costing $57,000,000 which is the amount added to the basin authorization.

[4] Amount represents elimination of local contribution for land enhancement.

At the same time, nearly $12 billion would be required to complete projects already authorized by Congress to be constructed by the Corps of Engineers. If deferred and inactive, projects would still require more than $9 billion to complete.

New projects which would be authorized by S. 497 would require an extended period of time, after appropriations, to reach the construction stage and would have little or no immediate or current effect on employment.

S. 497, as agreed to in conference, carries an amendment to Public Law No. 476, 83d Congress—Markham Ferry project in Oklahoma—to which the Department of Justice is very much opposed. The gentleman from Ohio [Mr. SCHERER], a member of the committee, spoke in opposition to this amendment when S. 497 was under consideration in the House on March 11, 1958, and his remarks appeared on page 3990 of the CONGRESSIONAL RECORD of that date.

On August 10, 1956, the President vetoed H. R. 12080, a similar omnibus bill which contained many of the projects included in S. 497 as agreed to in conference. In his message the President pointed out that a large number of projects had not been reviewed in accordance with the orderly procedures set forth in the applicable laws and that therefore, it was not possible for him to determine whether their authorization would be in the public interest. In his statement the President further said:

Existing law requires that before a report of the Chief of Engineers recommending authorization of a project is submitted to the Congress the affected States be afforded an opportunity to comment on the proposal. In addition, procedures for review consistent with other statutory requirements have been established under Executive Order 9384. These procedures provide for review of project reports within the executive branch before they are submitted to the Congress. For 32 of the projects which the bill would authorize, involving financial commitments of over $530 million, all of these requirements have not been met. Without such review the Congress must necessarily have acted on the basis of incomplete information. Some of these projects have not even been studied and reported on by the Chief of Engineers, and in a few cases field studies have not yet been completed.

Section 202 of the River and Harbor and Flood Control Act of 1954 declares it to be the policy of Congress that:

"No project or any modification not authorized, of a project for flood control or rivers and harbors, shall be authorized by the Congress unless a report for such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law."

I regard this as being a wise policy, and I believe that it is very unfortunate that this traditional statement was not followed in H. R. 12080.

In various messages to the Congress, I have clearly stated my view that our vital water resources can best be conserved and utilized in the public interest if the Federal Government cooperates with State and local governments and with private interests in the development of those resources, and does not undertake such development as though it were a matter of exclusive Federal interest. In order to carry out such a policy, properly and effectively, it is necessary that the views of affected States be given adequate consideration in formulating proposals for water resources projects. This has not been accomplished for a number of projects included in this bill.

In addition, other projects in this bill would be authorized on a basis which would result in a lesser degree of local participation than was agreed to by the local interests and recommended by the executive branch. I believe that authorization of water resources projects on such terms would represent a serious backward step in the desirable development of the Nation's water resources, and would result in the loss of the best test yet devised for insuring that a project is sound—the willingness of local people to invest their own money in a joint enterprise with the Federal Government.

Mr. SCHERER. Mr. Speaker, will the gentleman yield?

Mr. McGREGOR. I yield such time as he may require to the gentleman from Ohio [Mr. SCHERER], a member of the committee.

Mr. SCHERER. Mr. Speaker, the conference report on the omnibus rivers and harbors bill should be rejected by the House, if for no other reason than it contains the so-called Edmondson amendment. This provision alone would warrant the President in vetoing this legislation.

This amendment does not apply to any project in this bill. It is a rider which amends an act of Congress, passed in 1954, providing for a contribution by the United States of $6½ million for the construction of the Markland Ferry Dam in Oklahoma by the Grand River Dam Authority. This 1954 act also contains a complete waiver of claims by the Oklahoma Grand River Dam Authority against the United States.

At the outset, let me again call to the attention of this House the fact that this amendment was offered in committee after the hearings were closed. Although it is a complicated matter, no evidence was offered concerning its various ramifications. The Department of Justice and Army Engineers, who vigorously opposed this amendment, were not given an opportunity to be heard. The Department of Justice, because it affects a $10 million lawsuit currently pending, objected strenuously to its passage and properly so.

A letter addressed to the chairman of the Public Works Committee from the Attorney General, setting forth his objections, has been previously placed in the RECORD by me.

In order to clearly understand what is involved, it is necessary that I go back a few years. Originally the United States planned the building of the Pensacola, Fort Gibson, and Markland Ferry Dams on the Grand River in Oklahoma. Subsequently, the Grand River Dam Authority of the State of Oklahoma, largely with Federal money from the Works Progress Administration, built the Pensacola Dam and Reservoir. Later the United States constructed the Fort Gibson Dam and Reservoir which lies below the Pensacola Dam on the Grand River.

In the early 1950's the Grand River Dam Authority asserted a claim against the United States alleging the diversion and improper use of the waters of the Grand River. Subsequent to the assertion of this claim in 1954, the United States abandoned its plans to construct Markland Ferry Dam, the site of which lies between the two other dams, and agreed to contribute $6½ million to the Grand River Dam Authority toward the construction of the Markland Ferry Dam.

The 1954 act, which is amended in this legislation, also provided for a complete waiver of claims by the Grand River Dam Authority against the United States. It is admitted that the waiver is broader and more complete than the usual waivers contained in legislation involving similar matters. However, it is obvious that this complete waiver of claims was inserted in the 1954 act in order to relieve the United States on the payment of the $6½ million from the claim that was being asserted by the Grand River Dam Authority for the alleged diversion of waters by the federally owned and operated Fort Gibson Dam further downstream.

It must be kept in mind that these 3 dams are, in effect, 1 project and have problems which are interrelated as can be seen from what I have already said. Subsequent to the passage of the 1954 act, the Grand River Dam Authority filed suit on its previously asserted claim against the United States for $10 million. This litigation is presently pending in the courts.

The Department of Justice has set up as a defense the waiver contained in the 1954 act. The purpose of the Edmondson amendment is to change the terms of that waiver in order that the Grand River Dam Authority can continue the prosecution of this $10 million lawsuit against the United States.

It is inconceivable that this Congress should give its approval by affirmative legislation to this highly improper procedure, which can now conceivably result in a loss of $10 million to the United States and which it is not now obligated legally to pay. It was because of this claim that the Congress had inserted in the 1954 act, with the consent of the sponsors of the bill, the complete waiver of claims against the United States by the Grand River Dam Authority.

Furthermore, we here in Congress have been complaining bitterly about the courts arrogating unto themselves the functions of the legislative branch and improperly interfering with investigating committees. By the adoption of the Edmondson amendment we are not only interfering in current litigation before the courts and by our action helping to decide this case, but we certainly are not playing fair with the executive branch nor the people of the United States. As I have said, for this reason alone, and there are many others, this conference report should be rejected.

Mr. MACK of Washington. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. MACK of Washington. Mr. Speaker, I have the same objections now to some of the projects in this bill as I had at the time it was under consideration.

When this bill was before the House I sought to eliminate 18 of the about 150 projects in the bill. I offered amendments to do that. My amendments were defeated.

I sincerely felt then and do now that the inclusion of these 18 questionable projects to which I objected in this bill might result in a veto. With these 18 in the bill I feared the President might veto it as he did last year's rivers and harbors flood control bill. I felt that with the 18 projects removed from the bill, as I sought to remove them by amendments, that he would sign the bill.

My opposition to these 18 questionable projects was inspired solely by my desire to see a bill passed that would be signed, not vetoed.

Whether my fears that the President might veto the bill with these 18 objectionable projects in it were justified, time will tell.

The 18 controversial projects I opposed when the bill was debated in the House involved a total cost of $303 million.

The Senate added other projects which also are controversial and which may provide added reason for a veto.

I signed the conference report, although I still object to 18 of the about 150 projects in this bill. I signed the conference report because the problem now is to get this bill to the White House as soon as possible so that the President may express his opinion of it either by signing it or vetoing it. If the President vetoes the bill, I hope the Public Works Committee then will meet again and write a bill with fewer unsound and objectionable projects in the new bill and then send this new bill to the President before the session ends in July or August.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. LECOMPTE. Will the gentleman tell us if the Saylorville project on the Des Moines River in Iowa is included in the bill?

Mr. McGREGOR. It was authorized in the bill when the bill passed the House. It was not deleted in conference. It was not taken out of the bill in conference.

Mr. LECOMPTE. I thank the gentleman.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. JENKINS. The Gallipolis project was in the bill when it passed. Is it still in the bill?

Mr. McGREGOR. It is still in the bill.

Mr. McGOVERN. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. McGOVERN. Mr. Speaker, I have the same objection to a certain provision of the report that I expressed at the time an amendment was offered to the bill when it was being debated in the House. I want to do everything possible to secure the maximum benefits for my State from the Missouri River projects. Naturally I would fight for any legislative proposal that I believed to be in the best interest of South Dakota and the other States of the Missouri Basin.

I am opposed, however, to a proposal added to the conference report now before us to undercut the time tested preference clause and give the Secretary of the Interior arbitrary power to hold hydroelectric power in a single State against the claims of the public throughout the Missouri Basin.

This proposed change in the preference clause as it applies to Federal dams not yet constructed jeopardizes comprehensive basinwide river development programs. It sets aside a principle that was dear to the heart of a great President, Theodore Roosevelt, and which became a vital part of the flood-control legislation during the administration of another great President, Franklin D. Roosevelt. It casts a shadow on the principle that made possible nationwide support in the Congress to build Federal dams in South Dakota and throughout the river basins of the country.

I doubt very much if the proposed circumvention of the preference clause will result in bringing more power to the people of South Dakota than we would receive under the present law. What it will do is to place us in the position of asking for peculiar considerations that in the long run will weaken the Nation's river-development program including that part of it which relates directly to South Dakota.

I know that it is not practical for me to oppose the entire flood-control bill because of this one objectionable feature, but I regret that we are about to approve of a measure that turns back the clock of enlightened river development in the public interest.

My position in this matter is vigorously supported by the rural electric leaders of South Dakota. I include at this point a statement to that effect by Mr. Alfred Pew, of Milbank, S. Dak. Mr. Pew is president of the East River Electric Power Cooperative of South Dakota.

STATEMENT OF A. J. PEW, PRESIDENT, EAST RIVER ELECTRIC POWER COOPERATIVE

The following is a statement reconfirming the stand taken in the past by the East River board of directors and the South Dakota Rural Electric Association, relative to the sale of electric power and energy by the Federal Government. This position is set forth in formal resolutions passed by the boards of both organizations from time to time and confirmed by the voting delegates of each member cooperative. Similar resolutions were passed at the region 6 meetings of the National Rural Electric Cooperative Association during the past several years. This region embraces the States of Minnesota, North Dakota, and South Dakota.

We believe that the electric power and energy generated at the Federal projects on the Missouri River, past, present, or future, belongs to all the people of the Missouri Basin as established by the preference laws now of long standing. Although the Department of Interior has corrupted the sale of such power and energy in selling seasonal firm power to Nebraska public power systems without justly allocating the same within the marketing area, this is only an administrative violation and legal action can correct this wrongdoing. We also believe that the selling of seasonal firm power that could be firmed up by adequate water storage is a violation of the O'Mahoney-Millikin amendment to the Flood Control Act of 1944.

Mr. DAVIS of Tennessee. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. BROOMFIELD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar. The Clerk will call the first bill on the calendar.

MRS. ELBA HAVERSTICK CASH

The Clerk called the bill (H. R. 6963) for the relief of Mrs. Elba Haverstick Cash.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Elba Haverstick Cash, St. Louis, Mo., the sum of $25,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Elba Haverstick Cash against the United States arising out of the death on May 30, 1955, of her son, Ralph Raymond Haverstick (Veterans' Administration claim No. XC-3227005) from injuries sustained by him while a patient in a Veterans' Administration facility. This claim is not cognizable under the Federal Tort Claims Act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike the amount "$25,000" and insert "$21,700."

Page 1, line 9, strike "May" and insert "March."

Page 2, line 2, after the word "*Provided*" insert: "That the enactment of this act shall not alter Mrs. Elba Haverstick Cash's right to insurance payments as the beneficiary of a policy of National Service Life Insurance on the life of her son, Ralph Raymond Haverstick: *And provided further*".

The committee amendments were agreed to.

Mr. LANE. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LANE: At the end of the bill insert:

"SEC. 2. Upon the enactment of this act, all pension payments to Mrs. Elba Haverstick Cash as authorized by the provisions of section 31 of the act of March 28, 1934 (48 Stat. 526; 38 U. S. C. 501a) shall be terminated."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM T. MANNING CO., INC.

The Clerk called the bill (H. R. 9397) for the relief of William T. Manning Co., Inc., of Fall River, Mass.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized

and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $8,352, to the William T. Manning Co., Inc., of Fall River, Mass., in full settlement of all claims against the United States, for the repair of a Browning locomotive crane No. 01-50 for the Department of the Navy, for which the William T. Manning Co., Inc., has never received payment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this contract shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 1, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WESTERN UNION TELEGRAPH CO.

The Clerk called the bill (H. R. 10094) for the relief of the Western Union Telegraph Co.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

NATALE H. BELLOCCHI AND OSCAR R. EDMONDSON

The Clerk called the bill (H. R. 10260) for the relief of Natale H. Bellocchi and Oscar R. Edmondson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each of the following employees of the Foreign Service of the United States, the sum designated in full satisfaction of each employee's claim against the United States for compensation for personal property lost while performing official duty: Natale H. Bellocchi, $149; Oscar R. Edmondson, $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALFONSO GIANGRANDE

The Clerk called the bill (H. R. 2093) for the relief of Alfonso Giangrande.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alfonso Giangrande, Brooklyn, N. Y., the sum of $500. The payment of such sum shall be in full settlement of all claims of Alfonso Giangrande against the United States for reimbursement of the amount of a departure bond which was executed by him and posted on September 27, 1949, in connection with the admission of the alien, Mrs. Anna Valenti Aiese, to the United States. Such bond was declared breached when Mrs. Anna Valenti Aiese failed to depart from the United States on December 27, 1949, even though she subsequently became a lawfully admitted permanent resident of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHESTER TOMASI

The Clerk called the bill (H. R. 5976) for the relief of Chester Tomasi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Chester Tomasi, 2911 East 95th Street, Chicago, Ill., in full settlement of all claims against the United States as reimbursement for bond posted by Caterina Cantele for Mrs. Clorinda Tomasi (nee Petucco) October 18, 1949, and repaid by Chester Tomasi: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 11, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HEINRICH JOHANN ELLEBRECHT

The Clerk called the bill (S. 1322) for the relief of Heinrich Johann Ellebrecht.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ROBERTS and Mr. HEMPHILL objected and the bill under the rule was recommitted to the Committee on the Judiciary.

RELIEF OF CERTAIN ALIENS

The Clerk called the resolution (H. J. Res. 551) for the relief of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That, for the purposes of the Immigration and Nationality Act, Eleanora Fiorini, Sung Kee Lee, and John F. Baughman shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to each alien as provided for in this section of this act, if such alien was classifiable as a quota immigrant at the time of the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available.

SEC. 2. For the purposes of the Immigration and Nationality Act Shlomo Zalman Blumenfeld (Sol Blum) and Rajendra Paul shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees.

SEC. 3. For the purposes of the Immigration and Nationality Act, Ali Dawud Abu Ghannam shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this section of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the number of immigrant visas authorized to be issued to refugee-escapees pursuant to section 15 of the act of September 11, 1957 (71 Stat. 643-644).

SEC. 4. The Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bonds, which may have issued in the cases of Maria Grazia Brancato, Evelyn Serrero, and Bozana D. Alimpic. From and after the date of the enactment of this act, the said persons shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

With the following committee amendments:

Page 2, line 24, insert "Peter O'Hara."

Page 3, line 4, insert "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act in the case of Peter O'Hara."

The committee amendments were agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WINIFRED C. LYDICK

The Clerk called the bill (S. 1562) for the relief of Winifred C. Lydick.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Winifred C. Lydick, of Oklahoma City, Okla., the sum of $2,500. Such sum shall be in full satisfaction of the claim of the said Winifred C. Lydick against the United States for compensation for permanent personal injuries and pain and suffering sustained by her as the result of an accident, occurring on April 14, 1955, on the island of Okinawa, in which a United States Army vehicle struck the automobile in which the said Winifred C. Lydick was a passenger: *Provided*, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be

paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AGAPITO JOROLAN

The Clerk called the bill (S. 280) for the relief of Agapito Jorolan.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

LOUIS G. WHITCOMB

The Clerk called the bill (S. 1877) for the relief of Louis G. Whitcomb.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to credit the accounts of Louis G. Whitcomb, United States attorney for the State of Vermont, in the sum of $2,185.50 paid to himself as per diem in lieu of subsistence for time spent in Burlington, Vt., on official business, and including certain per diem in lieu of subsistence for fractional days while in a travel status during the period November 23, 1953, to August 31, 1955, and no repayment of that amount shall be required.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEONARD C. FINK

The Clerk called the bill (S. 2132) for the relief of Leonard C. Fink.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the act entitled "An act providing for the barring of claims against the United States," approved October 9, 1940 (54 Stat. 1061), the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Leonard C. Fink, of Kenmare, N. Dak., the sum of $125, representing the amount the United States Army failed to withhold from his Army pay for class E family allotment payments made to his parents from January 1944 through May 1944, which amount the said Leonard C. Fink paid on September 29, 1944, after such amount had previously been collected from his parents by the Department of the Army: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARVEY-WHIPPLE, INC.

The Clerk called the resolution (H. Res. 487) to refer to the Court of Claims the bill (H. R. 9552) for the relief of Harvey-Whipple, Inc.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 9552) entitled "A bill for the relief of Harvey-Whipple, Inc.," now pending in the House, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SUFFOLK FARMS PACKING CO.

The Clerk called the resolution (H. Res. 489) providing for sending the bill H. R. 8728 and accompanying papers to the Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 8728) entitled "A bill for the relief of Suffolk Farms Packing Co.," together with all accompanying papers, is hereby referred to the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with provisions of said sections and report to the House of Representatives at the earliest practicable date, giving such findings of fact, including an analysis of the amounts included as the basis for the sum stated in the bill, and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal and equitable, against the United States.

The resolution was agreed to.

A motion to reconsider was laid on the table.

M. E. BOALES

The Clerk called the bill (H. R. 2076) for the relief of M. E. Boales.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to M. E. Boales, of Daytona Beach, Fla., the sum of $30,000. The payment of such sum shall be in full settlement of all claims against the United States of M. E. Boales arising out of damage to his real property on and near the Halifax River in the State of Florida which was caused by dredging operations being carried out by the Secretary of the Army during the year 1952: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6: Strike "$30,000" and insert "$5,000."

Page 2, lines 1 and 2: Strike "in excess of 10 percent thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY F. LINDALL

The Clerk called the bill (H. R. 2966) for the relief of Harry F. Lindall.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harry F. Lindall, Port Orchard, Wash., the sum of $2,273. Payment of such sum shall be in full settlement of all claims of the said Harry F. Lindall against the United States for reimbursement for medical, hospital, and other expenses incurred and paid by him in connection with the treatment of a recurring fungus infection of his hands and feet, beginning in May 1946, which necessitated his disability retirement under the Civil Service Retirement Act of May 29, 1930, from the civilian service of the Department of the Navy (Puget Sound Naval Shipyard, Bremerton, Wash.): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, lines 5 and 6, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF W. C. YARBROUGH

The Clerk called the bill (H. R. 6932) for the relief of the estate of W. C. Yarbrough.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of W. C. Yarbrough, deceased, late of Yanceyville, N. C., the sum of $658.92. Payment of such sum shall be in full settlement of, and equitable reimbursement for, the amount of

all claims against the United States for payment of the total amount of 67 post office money orders which were purchased by the said W. C. Yarbrough at Altamahaw, Greensboro, Burlington, and Glen Raven, N. C., and Newport News, Va., at various times from December 23, 1931, to October 11, 1935, both dates inclusive, and were not presented for payment prior to the enactment of the act of June 8, 1955 (69 Stat. 87; Public Law 65, 84th Cong.; 39 U. S. C. 728a), which prohibits the payment of any post office money order after 20 years from the last day of the month of original issue and bars claims therefor unless received by the Post Office Department within such 20-year period: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELMER L. CONRAD AND OTHERS

The Clerk called the bill (H. R. 7746) for the relief of Elmer L. Conrad and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elmer L. Conrad, 434 Meigs Street, Rochester, N. Y., the sum of $3.90; to Frank P. Dollen, 86 Meadowbrook Road, Rochester, N. Y., the sum of $33.01; John J. Krewer, 122 South Fitzhugh Street, Rochester, N. Y., the sum of $10.22; to William E. Lovett, 17 Cobbs Hill Drive, Rochester, N. Y., the sum of $33.06; to Paul W. Malcewitz, 43 Alphonse Street, Rochester, N. Y., the sum of $11.41; to Albert Shipston, 51 Hazelwood Terrace, Rochester, N. Y., the sum of $9.72; to William Totten, 20 Draper Street, Rochester, N. Y., the sum of $1.73; to Nathaniel Turner, 191 Lyell Avenue, Rochester, N. Y., the sum of $22.48; to John Del Vecchio, 276 Parkway, Rochester, N. Y., the sum of $21; to Paul R. West, 727 Northwest 50th Street, Miami, Fla., the sum of $20.10; to Michael Reed, 120 Chestnut Street, Rochester, N. Y., the sum of $2.11; to Charles Peters, 188 Whitney Street, Rochester, N. Y., the sum of $27.19; to John Tyo, 195 Avenue D, Rochester, N. Y., the sum of $29.09; to Henry T. Rawlings, 105 Pittsford Street, Rochester, N. Y., the sum of $21.13; to George Schultheis the sum of 14 cents; to Elmer Hancock, the sum of 42 cents; to Louis Hoogland, 101 Merwin Avenue, Rochester, N. Y., the sum of $13.20; to Henry Houppert, 15 Florence Avenue, Rochester, N. Y., the sum of $15.96; to Dewey Reeves, 5 Cady Street, Rochester, N. Y., the sum of $7.92; to Warren R. Jewell, 20 Draper Street, Rochester, N. Y., the sum of $10.40; to Olive M. Rankin, 199 Pullman Avenue, Rochester, N. Y., the sum of $14; to John H. Kennerson, 23 Manhattan Street, Rochester, N. Y., the sum of $17.21; to Elmer J. Nevlezer, Williamson, N. Y., the sum of $27.74; to Harold J. King, 74 Mason Street, Rochester, N. Y., the sum of $6.02; to John C. E. Aberle, 72 Lancy Road, Rochester, N. Y., the sum of $3.38; to Alfred Mostyn, 408-A Broadway, Rochester, N. Y., the sum of $19.75; to Harry Wesley, 118 Savannah Street, Rochester, N. Y., the sum of $18.40; to John J. Brennessel, 91 Conkey Avenue, Rochester, N. Y., the sum of $11.50; to Frank T. Johnson, 1446 Buffalo Road, Rochester, N. Y., the sum of 32 cents; to Robert E. Perry, 280 Gates Street, Rochester, N. Y., the sum of 99 cents; to Agnes M. Paskal, 3290 Edgemere Drive, Rochester, N. Y., the sum of $9.32; to John Kosmicki, 844 Avenue D. Rochester, N. Y., the sum of $1.16; to Bert Guess, 240 Lombard Street, Rochester, N. Y., the sum of $3.76; to Pasquale Prozzo, 127 Bloss Street, Rochester, N. Y., the sum of $4.15; to Herbert Hausknecht, 244 Gates Street, Rochester, N. Y., the sum of 18 cents, in full settlement of their claims against the United States for a refund of employment tax under the Federal Insurance Contributions Act erroneously withheld from their wages during the period of September 30, 1946, through September 30, 1947, which refunds were refused by the Department of the Treasury because the period of time fixed for filing claims for the refunds had expired: *Provided*, That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD L. MUNROE

The Clerk called the bill (H. R. 8039) for the relief of Edward L. Munroe.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $335.60 to Edward L. Munroe, of Boston, Mass., in full settlement of all claims against the United States. Such sum represents base and longevity pay for the period September 1 to 21, 1943, incident to his service as captain, O255625, United States Army: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COL. EDWARD G. BREEN

The Clerk called the bill (H. R. 8839) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Lt. Col. Edward G. Breen for disability retirement as a Reserve officer or Army of the United States officer under the provisions of the act of April 3, 1939, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or any statute of limitations, or any other limitation upon the jurisdiction of such court, to hear, determine, and render judgment on the claim of Lt. Col. Edward G. Breen, O264336, arising out of the failure of the Secretary of War to retire him or to certify him for retirement as an Army of the United States or Reserve officer under the provisions of the act of April 3, 1939, as amended. In its consideration of such claim, the court shall determine whether or not the said Edward G. Breen was physically unfit to perform full military service in the field as well as in garrison, in time of peace as well as war, and whether or not he should have been retired for physical disability as an officer of the Army under the regulations then in effect. Should the court decide that the said Edward G. Breen was physically unfit and should have been so retired, judgment shall be rendered in an amount equal to the amount the said Edward G. Breen would have received had he been so retired on the date he was relieved from extended active duty: *Provided*, That the passage and approval of this legislation shall not be construed as an inference of liability on the part of the Government of the United States.

Suit upon such claim may be instituted at any time within 4 months after the date of the enactment of this act. Proceedings for the determination of such claim, and appeal from, and payment of, any judgment thereon shall be in the same manner as in the case of claims over which the Court of Claims has jurisdiction as now provided by law.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM J. McGARRY

The Clerk called the bill (H. R. 9775) for the relief of William J. McGarry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That William J. McGarry, chief warrant officer, retired, is relieved of all liability to repay to the United States the sum of $1,444.48. Such sum represents compensation paid him for the period May 23, 1956, through August 3, 1956, while employed as boilermaker at the New York Naval Shipyard, New York, N. Y. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States full credit shall be given for all amounts for which liability is relieved by this section.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK A. GYESCEK

The Clerk called the bill (H. R. 9885) for the relief of Frank A. Gyescek.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank A. Gyescek, Pittsburgh, Pa., the sum of $176.59. Payment of such sum shall be in full settlement of all claims of the said Frank A. Gyescek against the United States for reimbursement for the cost of repair of damages to his properly parked automobile which was struck by a United States mailtruck on April 20, 1957, on Vickory Street, Pittsburgh, Pa. Such claims are not cognizable under the provisions of the so-called Federal Tort Claims

Act for the reason that the damages were not the result of the negligence of any postal employee: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Pages 2, line 5, strike out "in excess of 10 percent thereof."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATE HOUSE, INC.

The Clerk called the bill (H. R. 11203) for the relief of the State House, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to State House, Inc., a sum consisting of $63,318, representing the amount reported by the United States Court of Claims to the Congress in response to House Resolution 290, 84th Congress (congressional No. 14-55, decided January 15, 1958), to be the amount of losses of said State House, Inc., resulting from the Government's failure to consummate a contract to lease premises known as the State House, located at 2122 Massachusetts Avenue NW., Washington, D. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERTA REITBERGER

The Clerk called the bill (H. R. 1313) for the relief of Berta Reitberger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Berta Reitberger may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That, in the administration of the Immigration and Nationality Act, Berta Reitberger, the fiance of Eugenio Marquez, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Berta Reitberger is coming to the United States with a bona fide intention of being married to the said Eugenio Marquez and that she is found otherwise admissible under the immigration laws, except that the provision of section 212 (a) (9) of the said act shall be inapplicable in her case: *Provided further*, That the exemption provided for in this act shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act. In the event the marriage between the above-named persons does not occur within 3 months after the entry of said Berta Reitberger, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Berta Reitberger, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Berta Reitberger as of the date of the payment by her of the required visa fee."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERNST HAEUSSERMAN

The Clerk called the bill (H. R. 7917) for the relief of Ernst Haeusserman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Ernst Haeusserman, a naturalized citizen of the United States, shall be permitted to reside in Austria until 5 years from the enactment hereof without losing his United States citizenship under section 352 (a) of such act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That section 352 (a) (1) of the Immigration and Nationality Act shall be held to have been and to be inapplicable to the case of Ernst Haeusserman: *Provided*, That he returns to the United States to reside no later than June 28, 1962."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM WINTER AND MRS. REGINA WINTER

The Clerk called the bill (H. R. 2635) for the relief of William Winter and Mrs. Regina Winter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for purposes of section 10 (E) of the Federal Employees' Compensation Act and section 202 (h) of the Social Security Act, William Winter and Mrs. Regina Winter, of New York, N. Y., shall be deemed to be the parents of Jack Winter, who died on July 1, 1954, while engaged in the performance of his duties as an employee of the Federal Mediation and Conciliation Service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARNIE M. SANDERS

The Clerk called the bill (H. R. 7733) for the relief of Arnie M. Sanders.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arnie M. Sanders, Madison, Wis., the sum of $701.40. The payment of such sum shall be in full settlement of all claims of the said Arnie M. Sanders against the United States on account of the loss at sea in 1944 of the personal effects of his son, 1st Lt. Malcolm S. Sanders (Serial No. O-728513): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$701.40" and insert "$550.93."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAIVING CERTAIN PROVISIONS OF SECTION 212 (A) OF THE IMMIGRATION AND NATIONALITY ACT IN BEHALF OF CERTAIN ALIENS

The Clerk called House Joint Resolution 577 to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved, etc., That, notwithstanding the provisions of section 212 (a) (1) and (4) of the Immigration and Nationality Act, Patrick Brendan Cox may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 2. Notwithstanding the provision of section 212 (a) (3) of the Immigration and Nationality Act, Charles Grant John Giles may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 3. Notwithstanding the provision of section 212 (a) (4) of the Immigration and

Nationality Act, Joerg Baxter may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 4. Notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Heinz Kohn may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act.

SEC. 5. Notwithstanding the provisions of section 212 (a) (1) of the Immigration and Nationality Act, Jacob Ype Harms may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 6. The exemptions provided for in this act shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

With the following committee amendments:

On page 2, after line 7, insert a new section 3 to read as follows:

"SEC. 3. Nothwithstanding the provision of section 212 (a) (1) of the Immigration and Nationality Act, Norvall Arnold Olson may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act."

On page 2, line 8, strike out "SEC. 3" and substitute "SEC. 4."

On page 2, after line 15, insert a new section 5 to read as follows:

"SEC. 5. Notwithstanding the provision of section 212 (a) (19) of the Immigration and Nationality Act, Herman Shin Gee Chiu may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act."

On page 2, line 16, strike out "SEC. 4." and substitute "SEC. 6."

On page 2, line 21, strike out "SEC. 5." and substitute "SEC. 7."

On page 3, after line 3, insert a new section 8 to read as follows:

"SEC. 8. Notwithstanding the provision of section 212 (a) (31) of the Immigration and Nationality Act, Emilia Montijo de Mendez, nee Montijo-Zabalza, may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act."

On page 3, line 4, strike out "SEC. 6" and substitute "SEC. 9."

The committee amendments were agreed to.

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 1, strike out section 1 and renumber the sections following.

The amendment was agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION ACT, 1959

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Minnesota [Mr. ANDERSEN], and myself.

The SPEAKER. Is there objection to the reqeust of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

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. 11767, with Mr. BONNER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WHITTEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill, making appropriations for the Department of Agriculture, was reported out last Friday. We have written a rather lengthy report, and I trust a rather thorough report.

In our consideration of this bill we have been pleased this year to have on our committee the gentleman from New York [Mr. SANTANGELO]. He has rendered excellent service, has shown great interest in the operations of the Department, and has contributed greatly in a number of fields where his experience has been wide and where his knowledge has been helpful to the committee. I seldom take time to comment on the membership of our committee, but I do not believe that within the Halls of the Congress you could find any Members from both sides of the aisle who are more interested in dealing with the Department of Agriculture, in meeting their needs, and at the same time interested in protecting the cost of operation.

This bill provides direct annual appropriations of $1,456,588,653 for the regular activities of the Department—title I of bill. This amount is $152,390,195 less than funds provided for these activities for the fiscal year 1958 and is a reduction of $103,900,000 in the budget estimate.

Also included in the bill is the sum of $1,760,399,886 to restore capital impairment of the Commodity Credit Corporation through June 30, 1957, under price support and related activities. It should be noted that only $739,606,640 of this amount represents losses on commodities handled. The balance, over $1 billion, is for storage and handling, transportation, administration, and interest costs, all of which were paid to other than agricultural producers.

The bill also includes loan authorizations for the Rural Electrification Administration and the Farmers Home Administration of $569,500,000, which compares with $448,500,000 available for the current fiscal year. These amounts are not appropriations—they are authorizations to borrow from the Treasury sufficient funds to meet the loan programs of these agencies. These loans are repaid within a period of 35 years with interest. Repayments for prior-year loans are increasing to the point where they will soon equal the amount of new loans made available each year.

THE FARM PICTURE

Since 1952, farm income from the farm, including increased Federal payments, has gone down. Farm costs have gone up. The cost of the farm program to the Treasury has increased. The take of the middleman has increased. Consumer prices have gone up. Commodity Credit Corporation holdings, despite grants, donations, sales for foreign currencies, and cash sales, have increased from $2.5 billion in January, 1953 to $7.2 billion in January, 1958.

Employees in the Department have increased more than 17,000 since 1952, from 67,406 as of December 31, 1952, to 85,107 as of December 31, 1957. The cost of operating the regular programs of the Department, including Forest Service appropriations not included in this bill, has increased from $796 million in fiscal year 1952 to a total of $1,729 million for fiscal year 1958.

During the period 1952 through 1957, price supports on many agricultural commodities were reduced an average of 20 percent. The figures set forth below show that the economic status of the farmer has been lowered during this period in direct ratio to the reduction in price-support levels. These figures are taken from official Department of Agriculture statistical reports which will be found on pages 54 through 71 of part 1 of the published hearings on the 1959 budget for the Department.

PRICES RECEIVED AND PAID BY FARMERS

Prices received by farmers at the marketplace have gone down to a very low level since 1952. Farm production expenses continue to increase. In terms of prices received and paid by farmers during the period 1910–14, the period generally conceded to be one of economic balance, the change in the farmers' position may be summarized as follows:

[Index numbers]

	Prices received	Prices paid	Parity ratio
1952	288	287	100
1953	258	279	92
1954	249	281	89
1955	236	281	84
1956	235	285	82
1957	242	296	82

NET INCOME FROM FARMING

Net income from farming is at the lowest point in 15 years, despite large increases in Federal payments to farmers by the Department of Agriculture.

A comparison between 1952 and 1957 reflects the following picture:

[In billions]

	1952	1957	Comparison
Cash receipts from marketings	$32.6	$30.0	−$2.6
Federal payments to farmers	.3	1.0	+.7
Noncash income to farmers	3.9	3.4	−.5
Gross income from farming	36.8	34.4	−2.4
Production expenses	−22.5	−22.9	+.4
Net income from farming	14.3	11.5	−2.8

CONSUMER PRICES—FARMER'S SHARE OF FOOD DOLLAR

At the same time that the farmer's income has gone down so drastically, the take of the middleman between the farmer and the consumer has continued to increase and the consumer has received no cash benefit. Retail prices to the consumer have not declined but have increased slightly over the period. The farmer's share of the consumer's food dollar has decreased steadily since 1952. The changing picture since 1952 is as follows:

	Retail food prices (1947–49=100)	Farmers' share of food dollar
		Percent
1952	114.6	47
1953	112.8	44
1954	112.6	43
1955	110.9	41
1956	111.7	40
1957	115.4	40

FARM DEBT AND INVESTMENT

Farm debt is at an alltime high. The amount of equipment and other investment required to operate a farm also continues to increase each year, and is now the highest in history. A summary of these factors since 1952 follows:

	Farm debt (in billions)	Investment per farm
1952	$14.6	$23,188
1953	16.1	22,928
1954	17.2	22,553
1955	17.8	23,786
1956	18.9	25,075
1957	19.5	27,000

PER CAPITA INCOME

The only agricultural statistic which shows up more favorably since 1952 is "income per person on farms from all sources." This has increased from $953 in 1952 to $993 in 1957. The reason for this increase with declining farm income is that the farmer has looked more and more to off-farm employment. Even though off-farm income is higher in 1957 than in 1952, the figure is still very low as compared to the income of other segments of the population, which averaged about $1,750 last year. This would indicate that, in addition to having his income from the farm decrease steadily, the farm worker is paid very low rates for his off-farm employment.

It is significant to note, however, that per capita income earned on the farm has decreased from $702 in 1952 to $684 in 1957.

ELIMINATION OF SMALL FARMER NO ANSWER

A job in town is no answer to the problems of the low-income farmer, since the record shows that he has averaged only about $300 per year from such employment. Yet the principal efforts of the Department during the past few years have been directed toward urging farm families to obtain off-farm employment and to move off their small farms.

To leave the farm for town under present conditions would only swell the unemployment rolls now estimated at over 5 million people. As a matter of fact, it may soon be necessary to start thinking in terms of moving people back to the farms where they can at least find food and shelter.

Further, moving the small farmers off their farms will have very little effect on the level of agricultural production. The small farms contribute very little if any to surpluses. According to the record, small farms, which represent 56 percent of the farms of the Nation and 20 percent of the acerage, produce only about 9 percent of farm commodities which go into commercial channels.

Therefore—if all small farmers were removed from their farms, and their land were allowed to remain idle, the maximum possible reduction of surpluses would be 9 percent. It is probable, however, that land released from small farms would be added to larger producing units which, being more efficient, would increase production on that land and thereby further increase surpluses.

GOVERNMENT ACTION TO COMBAT BUSINESS RECESSION

It is interesting to note that current efforts to combat the business recession are taking the form of additional defense and public works expenditures. It is disappointing to note that no proposals are being made to bolster farm income at the market place.

A review of the economic history of the United States will show that every economic recession in this country has started on the farm. Every recession has been preceded by a period of reduced income to the agricultural segment of our population. Since agriculture is the principal segment of our economy which generates new wealth, it is inevitable that a prolonged depression in agriculture will eventually reflect itself in more aggravated economic distress throughout the rest of the economy.

The figures above showing the substantial decrease in level of farm prices and farm income since 1952, with its disastrous effect on farm purchasing power, demonstrate a major reason why the Nation is experiencing a business recession at the present time. There can be no doubt that reduced income of the farm population now unable to maintain its normal purchases is one of the major reasons that there are an estimated five million unemployed workers walking the streets of our major cities today.

In the opinion of the committee, pump priming through increased military expenditures is only temporary relief at best. The only action which would have long-range benefits would be to bolster farm income at the market place through price support levels that will assure the farmer a fair return for what he produces. Only by regaining a proper balance between agriculture, industry, and labor can we regain a sound economy. It is only through additional income for the producers of raw materials, the foundation of the economic ladder, that our economy can be restored on a basis which will support the rest of our economy at the prosperous level which this country has experienced for a number of years.

This is not a partisan matter. It is a matter which affects every citizen of the United States—and of the entire world. We must preserve our agricultural economy, if we are to protect the economic health of every part of our society.

OPERATIONS OF COMMODITY CREDIT CORPORATION

The Commodity Credit Corporation is a $14 billion United States Government-owned corporation handling billions of dollars worth of United States investments. Perhaps no group anywhere, not even the commissioners of our regulatory agencies, is subject to as much pressure as are the officers and other people in the Department who run this vast operation. Their decisions involve billions of dollars; and each decision can easily provide hundreds of millions of dollars of profits to private interests, and even determine to which private interests such profits would go, with detriment, many times, to other private-interest competitors. Many millions of dollars in losses to the Government can follow decisions, which are charged up to the farm programs.

Certainly, the officers of this huge Corporation should be ever aware that as such officers they have a responsibility to protect the people's investment of billions of dollars in the assets of the Corporation.

Our hearings indicate that in recent years such responsibility, in numerous instances, seems to have been overlooked to a considerable degree. Major administrative decisions appear to have been made prior to and sometimes without a thorough and objective opinion from the General Counsel. Copies of several legal opinions, submitted to the committee, show little objectivity as to the law, but appear to have been written to support or underwrite desires or even prior decisions. In at least one instance, such an opinion amounts to little more than an expression of opinion that the Corporation could get by with such action as is contemplated.

These recommendations are made because of the magnitude and importance of this Corporation and are believed sound. They are not to be taken as a reflection on any individual, but rather on the system.

NEED FOR FORMAL HEARINGS

After hearings on the operations of this Corporation, the Committee is convinced that the Department should provide for formal hearings, with notice given in advance, on any major action or change of policy being considered by the officers of the Corporation. Such hearings

should be printed and released to the public, together with copies of any orders issued and reasons therefor.

For the protection of the officers and other top level employees, such officers and employees should be required to report any contact or efforts by any firm or individual to influence them; and such report should be made a matter of public record.

NECESSITY FOR CONTINUING THE PRESENT EXPORT SALES PROGRAM

The charter of the CCC provides, and has always provided, for sale of all Corporation-owned commodities in world trade at competitive prices. For years the Department did not use this authority, but offered such commodities at a fixed price, which resulted in holding an umbrella over world markets and a greatly increased world production. The amount of increase in foreign production during this period when the Department held United States commodities off world markets, as shown by an investigation of this committee, is staggering.

At the instance of this committee, in 1954 the Department finally offered a limited number of commodities at competitive prices in world markets, selling them for approximately 485 million American dollars. Subsequent to that, under urging by the committee the Corporation finally, in 1955, offered all commodities held by it, except cotton, in world trade at competitive prices through regular trade channels. This action came after the committee, in its report, had provided special funds for a sales manager and a sale program, pointing out that the Corporation was derelict in having no real sales policy and no sales manager. The resulting sales for dollars reached the high level of $2.2 billion for the fiscal year 1955.

In January 1956, under continuing pressures from the committee, the Department, under its general authority, finally offered 1 million bales of cotton in world trade at competitive prices. Officials expressed the hope that they might sell this million bales within 6 months. Actually, the cotton was sold for dollars in less than 2 months. Thereafter, for a period of months, Department officials kept promising to make further offerings. Holdings of the CCC, including cotton under loan, had reached 13.4 million bales on December 31, 1955. After three successive dates on which officials of the Department had promised to sell but failed to do so, the Congress passed the Export Sales Act of 1956, requiring the Department to use its existing authority to sell cotton and other commodities competitively, in order to regain and retain world markets. In such act, Congress directed that United States supplies, surplus to domestic demand, be made available to the buyers of the world on a competitive basis, as authorized in the charter of the Commodity Credit Corporation. The new policy was accepted abroad and, in the judgment of the committee, gave confidence to users of American commodities that the United States of America would continue to produce cotton and other commodities, and would make Government stocks available in world markets on a competitive basis.

In fiscal year 1956, exports for dollars totalled $2.1 billion, including 1,177,842 bales of cotton. In fiscal year 1957, exports for dollars reached a total of $2.8 billion, including 7,764,962 bales of cotton. These exports for dollars were under the competitive sales program, always authorized but not used until insisted upon by this committee. These commodities moved through regular trade channels.

PROPOSED SUBSTITUTE

The committee has been disturbed during the present hearings to find that the Department is contemplating the elimination of this competitive sales program and the substitution of an export subsidy arrangement, whereby the stocks of CCC, assets of the Corporation, would be transferred to American exporters who exported commodities from their own stocks.

From the testimony, it is not clear that authority exists for thus disposing of CCC assets, with the exception of wheat, where the CCC has additional authority under the International Wheat Agreement.

This action is being planned, notwithstanding the proven value of the competitive export sales program, and notwithstanding the requirements of the Agricultural Act of 1956.

The Department urges this change for cotton, because of a shortage of cotton for export needs. Yet the hearings show that 2 million bales of CCC cotton heretofore sold and committed to the export market have not been shipped out of the country. In addition the CCC has on hand now more than 1.5 million bales and holds loans on more than 3 million bales, subject to call by August 1, 1958. This makes a total of 6.5 million bales now in this country which could be used to meet export market needs.

These facts raise questions as to whether the need for an additional system for exports is as acute as has been claimed. The Department testified that a considerable part of this cotton is of inferior grade and quality, for which there is little demand. It follows, however, if the Corporation does not sell such cotton during a period of relatively short supply, it is doubtful if it will ever sell.

The committee points out that, in order to preserve the full authority of the Corporation to support farm prices, and in order to protect its capital structure, the Congress is now required to restore to such Corporation the difference between what it has invested and what such commodities sell for. But under the export subsidy, with payment in kind proposed, the Congress would be required to appropriate sums equal to the full amount such Corporation has invested in commodities transferred to private firms or individuals.

These facts, when taken with the obligation of the officers of the Corporation to protect its assets and its capital impairment, and thereby hold down appropriations from the Treasury, raise further doubts as to the wisdom of substituting this proposal for the proven competitive sales program.

The committee is of the opinion that such a program, as a substitute, in no way compares with the soundness of the present competitive sales program. Such a proposal if substituted for the competitive program, could do untold damage to the confidence we have gained with the foreign buyers and users of American products and would lead them, once again, to believe that there was no consistency in United States policies on sales, and that they would have to expect changes from year to year.

The committee would point out that other countries sell what they produce and don't need at what the market will bring. Under such program, which we have effectively used in recent years, the buyers have the opportunity to support the world price by their bids, whereas under any export subsidy program our Government would take the responsibility for fixing the price. This would create dangers of once again holding an umbrella over world markets. Further, the designation of the differential as a subsidy would be the basis of a charge by our competitors that we were dumping.

The committee also would point out that any fixing of an export subsidy, without a continuance of present competitive sales from CCC stocks, would lend itself to all kinds of pressures from international operators and domestic mills. Such a subsidy could be reduced to the point of creating a virtual embargo on exports, or it could be increased to give a real bonanza to exporters. In the absence of competitive sales by CCC, it could enable, or at least provide, an opportunity for the trade, particularly the international firms, to manipulate both domestic and world prices, and could lead to an umbrella over foreign production and expansion. It could easily be to the interest of such international firms to raise world prices by holding United States commodities off world markets, thereby enabling themselves to make profits on their holdings in other countries, to the detriment of American producers.

The committee would point out that section 201 (a) of the Agricultural Adjustment Act of 1956, contains the following directive:

> The Commodity Credit Corporation shall, as rapidly as possible, consistent with its existing authority, the operation of the price-support program, and orderly liquidation, dispose of all stocks of agricultural commodities held by it.

That directive is clear and the substitution of any program for competitive sales which did less than that called for would not be in line with the intent of the act and would, therefore, be illegal.

The committee would point out, based on many years' experience, that if any such program of export subsidy were substituted, it would risk domination and control and limitation of export sales by the State Department, which frequently reflects the pressures from other governments.

The committee is also of the opinion that any such program might enable the trade to withhold offerings in world

trade until they forced the Department to increase such subsidy, paid to the trade, to such levels as the trade might demand. This would lead to increased cost to the Government and increased profits to certain members of the trade. If such actions were taken it would constitute an invitation for expanded foreign production.

On the other hand, as has been pointed out, such export subsidy could be reduced to such a low level by the Department as to constitute a virtual embargo on exports, thus depriving United States producers of their fair share of world markets.

Also, it is pointed out that any such export subsidy, if fixed or firm, would again constitute an umbrella over production which would enable producers in foreign countries, numerous Americans among them, to hold their offering prices just under the United States offering price and thereby obtain the sales.

Because of these weaknesses and other dangers inherent in the export subsidy program, it becomes even more essential that we retain the competitive sales program as protection. In the opinion of the committee, any new export subsidy or other means of export should not be substituted for the policy of offering CCC commodities for export on a competitive bid basis through regular trade channels.

Whether the Department should work out its proposed export program with payment in kind, if determined to be legal, as an additional means to be used only so long as the CCC sales program on a competitive bid basis is being used, has not fully been determined by the committee. We are convinced, however, that such a program, without the present competitive sales program by CCC to protect against the dangers inherent in the export subsidy payment in kind approach, could lead to disaster.

The committee therefore insists that it is essential for the protection of the assets of the Corporation, for its discharge of its responsibility under the law, and for the protection of the American farmer's fair share of world markets, in order to give assurance to foreign users of American commodities that the United States of America will continue to make its commodities available on world markets at truly competitive prices, as authorized and directed by law, that the sales program on a competitive-bid basis—with exports through normal trade channels—be continued, whatever additional programs may be used to complement such program.

In view of Congressional interest in a consistent sales policy, the sales manager is directed to report monthly to the Speaker of the House, and to the appropriate committees of the House and Senate, the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Corporation owns or which it is directed to support.

RECLASSING

In connection with the export-sales program on cotton, the committee urged the Department to sample and reclass such cotton prior to offering, in view of the fact that some of this cotton had been held for 6 or 7 years. The Department insisted it could not sample and reclassify this cotton in advance of sales. The records show, however, that immediately upon selling this cotton to American firms for export, many of them being international firms, the Department did then reclassify the cotton and made rebates in the sum of $135,677,036 to these firms. The names of the larger purchasers appear in the hearings on pages 1676–1678 of volume 3.

According to information of the committee, many of these firms which purchased this cotton and received rebates by virtue of a reclassification downward sold this cotton in world markets at classifications or grades equivalent to or in excess of the original classification. Whether the same situation exists with regard to other commodities has not been explored by the committee.

In the interest of retaining confidence in the classing service of the Department, and in the integrity of the operations of the Commodity Credit Corporation, any reclassing which should be in order in the future should be made in advance of sale so as to avoid the payment of rebates.

Such a situation as has existed raises serious questions as to whether the assets of the Corporation are being protected fully, and lends itself to other serious questions. Any recurrence should be prevented.

CATALOG NOW

To make cotton now under loan and in CCC hands available for export at the earliest possible date, the Department is directed to catalogue, prior to July 31, 1958, all loan cotton now in its hands.

EXTENSION OF REQUIREMENT TO EXPORT

Under the Agricultural Act of 1956, providing for substitution, the purchasers made bond in the amount of 30 percent of the value, to insure export of such cotton within a definite period after purchase. Department witnesses testified that consideration was being given to an extension of time under such bond.

In view of world needs for American cotton, and our short supply, as testified to by the Department in supporting its proposed program of payment of an export subsidy in kind, this extension so far as our hearings are concerned appears to be of doubtful benefit to the Government, though it might be of benefit to the trade.

It is to be noted that such extension of time in which buyers could export might raise serious questions as to whether future commitments and bonds would mean anything. It is the committee's belief that, should such extension be granted, the Commodity Credit Corporation should demand a premium per bale, or a fair share of any profits made, or some other proper consideration for such extension, if the integrity of the competitive sales program is to be retained.

ADDITIONAL FACILITIES

A number of specific proposals for the establishment of new facilities to meet the needs of various parts of the country were brought to the committee's attention by Members of Congress and others. Attention is directed to part 5 of this year's hearings for further details on each proposal.

The committee recognizes that many of these proposals would make a valuable contribution to the work of the Department and those cooperating in its programs. If it were possible to do so, the committee would recommend funds in this bill for many of these facilities. Budgetary restrictions, and the fact that the regular operating expenses of the Department have increased from $796 million in fiscal year 1952 to $1,729 million in fiscal year 1958, has limited what the committee feels it can recommend in this bill.

Also, a number of instances of inadequate housing and examples of inadequate facilities for agricultural activities which have been centralized have been called to the attention of the committee. One such example is at Amarillo, Tex.

In view of present Federal efforts to embark upon an expanded program of public works, it may be desirable to undertake some of these projects. The secretary is urged to review these various proposals for possible presentation to the Bureau of the Budget and the Congress. In the opinion of the members of the committee, the priority of such projects is as high, or even higher, than many of those now being undertaken.

It is pointed out, too, that the Department has authority to move funds from finished projects to new work and to transfer up to 7 percent among appropriations. It is possible that the more urgent of these needs can be met through this means, within funds presently available.

AGRICULTURAL RESEARCH SERVICE

Research: The committee recommends $58,444,890 for 1959, a decrease of $2,300,000 in the budget estimate and an increase of $650,000 over the appropriation for the current fiscal year. In view of the elimination of certain nonrecurring items provided in the 1958 appropriations, however, the actual increase is $2,300,000, all of which is provided to expand research on utilization of agricultural commodities.

Since 1952 the research funds for the Department under this appropriation have been increased over 77 percent. This rapid increase has created problems in securing well-trained scientists and expanding facilities on an efficient and orderly basis. In order to assure the maximum results from the research activities of the Department, during the next year, the committee has held the increase for utilization research to a reasonable level, consistent with the ability to recruit trained personnel and expand facilities on a sound basis. It does not question the need for the utilization research programs conducted by the Department and it recognizes the many valuable contributions which have been made by such programs. Its action is based on the need to be sure that they are expanded on a sound and efficient basis.

It would appear to be unsound to provide for utilization research on new crops until the value of the end product

is known. The committee approves research on the value of linleic acid. However, expanded work on safflower oil to produce linoleic acid does not seem warranted until a determination has been made as to the value of such an acid. It is the opinion of the members of the committee that research in new sources of oils would only aggravate the surplus situation facing the many domestic oils now in use.

The 1959 budget proposed an increase of over $10 million for utilization research, $4,600,000 by direct appropriation, $805,000 by transfer of funds from various production research activities, and approximately $5 million through the use of Public Law 480 funds for utilization research in foreign countries. The committee is in agreement with the use of foreign currencies for utilization research abroad. In addition it has provided in the amount recommended for this appropriation an increase of $2,300,000 for utilization research. This will make available a total of over $20 million for utilization research during the coming year, including the proposed use of Public Law 480 funds. In addition, $2 million is available for utilization research by the Forest Service.

The committee action provides for restoring the funds to the various production research programs proposed to be curtailed to expand utilization research. It is believed unsound to eliminate these activities, in view of the valuable contributions they have made through the year, not only to those engaged in agriculture, but also to the people of the entire country. It is generally agreed that the economic stress now being experienced by agricultural producers throughout the country would be considerably worse had it not been for the increased efficiency in production which has resulted from this type of research. The committee believes fully in the value of utilization research. It believes, however, that the additional funds in this bill, together with those proposed to be spent from Public Law 480 sources, will provide adequate expansion in utilization research in the coming year, without the additional transfer proposed in the 1959 budget.

Many urgent production research problems not included in the 1959 budget have been brought to the committee's attention. One example is the serious threat from the hoja blanca or white leaf disease of rice. Another is the need for more study on the cold hardiness problems facing fruitgrowers in Florida, Texas, and California. Various other examples are contained in part 5 of the committee hearings.

The Department is requested to give these matters special attention. To the extent that those that are meritorious cannot be carried on within funds now available, the Department should consider the possibility of placing them in the 1960 budget. Further, the committee feels that, from funds now available, the Department should staff the new Weslaco, Tex., laboratory when it is ready for operation.

Research on the eradication of the corn borer and other corn insects also needs to be increased. The Department is requested to study this matter and submit a special report to Congress next year as to future action needed to meet this problem.

Within the funds provided, the Department should utilize $50,000 for expanded field crops research on rusts and breeding problems affecting rice and wheat production, and $12,500 for additional research on pear decline. It has been pointed out that the pear industry itself has made available funds in the neighborhood of $55,000 in the search for a cure.

An excellent presentation was made to the committee requesting more adequate attention to the boll weevil problems in the South. It is estimated that, during the 15-year period from 1940 to 1954, the boll weevil destroyed cotton and cottonseed valued at $2.257 billion. It is further estimated that over $75 million is spent by farmers each year for boll weevil poison applied in the fields. The committee agrees that further efforts to solve this problem should be made as rapidly as possible. The Secretary is urged to review this matter and recommend during his next appearance before this committee concrete proposals for meeting this problem. For this purpose, an additional amount of $25,000 should be allocated, from funds available for the coming year.

The committee is well satisfied with progress being made in the establishment of the soil and water research facilities authorized last year. Numerous requests have been made to the committee for attention to this need in other geographical areas. The committee therefore recommends to the Secretary that study be given to the needs for similar laboratories in Kentucky, in the Oklahoma-Texas area, in the area of the Pacific Northwest, and in other areas of the country, with a view to consideration of such needs in connection with next year's budget.

Language has been included in the bill to enable the Department to replace buildings at the Plum Island Research Laboratory in the event of damage from a serious storm. Due to the location of this facility, such standby authority appears to be needed. The committee requests, however, that it be notified by the Department of any proposed use of this authority.

During the past recess of Congress, the committee's investigative staff made a thorough study of the proposals of the President's Commission on Increased Industrial Use of Agricultural Products. A few of the more pertinent findings are quoted below. The full investigation report has been printed in part I of this year's hearings.

1. Mr. J. Leroy Welsh, Chairman of the Commission, advised that the Commission only made a limited inquiry into the areas mentioned in the committee's directive. Mr. Welsh stated that the Commission did not have sufficient time or personnel to perform the research necessary to gather data relative to loss of markets for agricultural raw material, funds presently being spent in research, potential consumption of agricultural raw material for industrial use, or the transfer from one farm commodity to another. He stated that any statements made in the final report in these areas could be considered as a general estimate based upon information furnished by USDA or on information known to some individual on a task group who is familiar with the industry. Mr. Welsh advised that the Commission, in the short time available, was interested in gathering all of the potential outlets for farm commodities in industrial use and then establish some means whereby a program utilizing agricultural raw materials could be carried out.

2. Mr. Welsh advised that he instructed the task groups to put down on paper any project for research that they could think of, even if it resembled a dream. Dr. Hilbert stated that USDA furnished a list of projects that they are working on or have planned for the future. From these lists the Commission in an executive session selected the projects for inclusion in the final report.

3. Mr. Welsh advised that the Commission did not make a specific study into the loss of markets for agricultural products to synthetics. The estimates used in the report were obtained from economists of USDA and from the familiarity of the markets known to individuals from industry who were on the task groups. He stated that these estimates have been used from time to time in various publications and have been generally accepted as facts. The USDA does maintain statistics relating to markets for agricultural products and these statistics clearly reflect a declining market for such products by industry.

4. The Commission proposed that funds for industrial-uses research be increased to not less than 3 times the amounts currently ($16,145,000) available; and that additional sums provided for new crops research, trial commercialization, development, and incentives.

5. The Commission furnished 19 examples of projects for which commercial development should be supported. It would appear that these projects are beyond the basic research stage at the regional industrial utilization laboratories of USDA and are ready for pilot-plant operation, market investigation and test, and economic study.

6. The group did concern itself with the production of butyl alcohol and other solvents. Corn and other grains were originally used for this fermentation, but gave way to molasses which was available at a much lower equivalent price than corn. Since molasses has climbed in price because of its increased use in feed the principal competition now is petroleum sources. The group estimated that if corn were used, giving full credit for all the byproducts, the price of corn would have to be at least no more than one-half the present quoted price delivered to offer sufficient incentive for its use.

7. The task group stated that the synthetic-rubber industry is firmly based on economical butadiene produced directly from petroleum raw materials. This process is well established, and costs are very low. The raw material is abundant and the price is stable. As a result, under present economic conditions the growth potential for industrial alcohol for this outlet does not exist. It is only under conditions of heavy subsidy that butadiene can be produced from industrial alcohol.

8. The final report of the Commission reported that industrial alcohol as a blend with gasoline for motor fuel on a national basis is not practicable because—

(1) No blend of less than 10 percent would be practical or effective.

(2) A 10-percent blend of industrial alcohol would require in excess of 2 billion bushels annually, which is more than the current surpluses of cereal grains.

(3) Plant capacity for processing this quantity of grain would cost in the neighborhood of $2 billion and would have to be built with Government funds.

(4) The total cost to the public through the increase in the price of motor fuel would be in excess of $1 billion annually.

In view of these facts, the present state of scientific knowledge, and costs involved, the Commission found it impracticable to recommend an alcohol motor-fuel program.

9. The report further stated that careful study leads to the conclusion that the possibilities are extremely limited in developing truly new uses for cotton, desirable as it would be. The best potentials for expanding cotton consumption are in increasing the total market for textiles and in increasing cotton's share of the total. The factors that must be considered are price, quality, and promotional effort.

10. Dr. G. E. Hilbert, Research Director for the Commission, and Assistant Administrator of the Utilization Research and Development Branch, Agricultural Research Service, USDA, advised that the Commission's report did not recommend any new projects which have not been known to the USDA. He advised that the men who worked on the task groups were selected because of their familiarity with a particular commodity and the particular projects recommended for research investigation for each commodity are well known to people in industry, science, and the USDA. He further advised that projects mentioned in the Commission's report are projects which the regional laboratories have conducted limited research on or will conduct research on in the future when funds and personnel are available.

The committee believes that the best way to increase the use of agricultural products would be for the President's Commission to review research work now under way and recommend changes which would strengthen the existing research programs of the Department. In the opinion of the committee, the most effective way to increase the use of agricultural products is to gradually expand the utilization research programs of the Department on a sound and efficient basis. It believes that the creation of an additional research agency would inevitably result in duplication of effort. It further believes that a sudden threefold expansion of the program would create a great deal of waste and confusion.

Plant and animal disease and pest control: A total of $41,732,000 is proposed for the coming fiscal year, a decrease of $400,000 in the budget estimate and an increase of $11,650,000 over the 1958 appropriation. The amount recommended includes an additional $39,300 to determine compliance with laws related to contamination of food from insecticides, $75,000 to take over foreign plant quarantine work in Florida, $75,000 to meet the increased volume of baggage to be inspected at ports of entry, and an additionl $600,000 for screwworm eradication.

The bill also includes a total of $15 million for the eradication of brucellosis. In recent years, the program for eradication of brucellosis has been financed from Commodity Credit Corporation funds on a reimbursable basis, as authorized by the Agricultural Act of 1954. It is proposed in this bill to adopt the budget recommendation that the program be financed by direct appropriation in the future.

The committee believes this trend away from the use of Commodity Credit Corporation funds to finance various programs not related to the price support activities, for which purpose the Corporation was created, is good and should be encouraged. It is understood that, should present laws authorizing the financing of the brucellosis eradication program from Commodity Credit Corporation funds be extended, the authority of that law would be used only to the extent necessary to supplement funds provided in this appropriation.

Meat inspection: The committee recommends the sum of $24,326,000 for 1959 for the regular meat inspection service and the new mandatory poultry inspection program authorized last year. Of this amount, not to exceed $17,826,000 should be used to meet the regular meat inspection workload. This, in effect, provides $1 million more for this work than in fiscal year 1958, if needed. At the same time, there should be adequate funds to meet the full poultry inspection workload as required by the new law.

In the interest of a more effective meat inspection service, and in view of the increased efficiency which should result from consolidation of similar activities, the committee recommends the consolidation of the regular meat inspection service with the new inspection service for poultry and poultry products. While separation of these activities may have been advisable when one inspection service was on a mandatory basis and the other on a purely voluntary basis, now that they are both mandatory the committee feels that they should not be duplicate operations. The merging of the two services should result in greater efficiency and in additional flexibility.

State experiment stations: An appropriation of $30,353,708 is recommended for grants to State experiment stations. In addition, $250,000 is provided for penalty mail costs. The amounts recommended are the full budget estimates and are the same as those provided for the fiscal year 1958.

Since 1952, appropriations for this purpose have increased over 140 percent. In view of the continuing needs of agricultural producers for information about better seeds, fertilizers, insecticides, and growing practices, to offset falling farm prices and increased production costs, the committee recommends continuation of the present level of appropriations for this purpose.

EXTENSION SERVICE

Payments to States, Hawaii, Alaska and Puerto Rico: The full budget estimate of $50,715,000 is included in the bill for the coming fiscal year, the same amounts as provided for the fiscal year 1958.

There has been a large increase in the size of this appropriation since 1952, nearly 80 percent. The committee feels, however, that this level of expenditure should be continued in the coming fiscal year in order to assure adequate assistance to farmers who need help to meet their serious problems resulting from reduced farm income.

Retirement costs for extension agents: The budget estimate of $5,479,375 is recommended for the coming fiscal year, an increase of $219,375 over the appropriation for the fiscal year 1958. The amount recommended will cover the full retirement fund contributions required for cooperative extension agents during the coming year.

Penalty mail: The committee recommends the full budget estimate of $1,868,480 for penalty mail costs of State extension directors and county extension agents during the fiscal year 1959, as authorized by law. The decrease of $295,520 results from a revised procedure for determining mailing costs, which has been developed concurrently by the Post Office Department and the Department of Agriculture.

Federal Extension Service: The full budget estimate of $2,096,540 is proposed for the coming fiscal year for the Federal Extension Service, which provides the leadership, counsel, and assistance to the extension services in 48 States, Hawaii, Alaska, and Puerto Rico. This is the same amount as was provided for the fiscal year 1958.

FARMER COOPERATIVE SERVICE

The full budget estimate of $578,000 is recommended for the coming fiscal year. This is the same amount as was appropriated for fiscal year 1958. The committee was more fully satisfied with the presentation made in support of the 1959 budget estimates than with presentations made at hearings in prior years.

SOIL CONSERVATION SERVICE

Conservation operations: The committee recommends the sum of $74,780,000 for the fiscal year 1959, an increase of $2,500,000 in the budget estimate and an increase of $2,235,000 over amounts provided for fiscal year 1958.

Testimony before the committee indicates that 40 new districts will be formed during the current fiscal year and an estimated 30 additional districts will come into existence during the fiscal year 1959. No additional funds were included in the 1959 budget estimate to permit the assignment of soil conservation technicians to the new districts as formed. It was pointed out by Department officials that the only means of meeting the needs of the new districts is to transfer technicians from existing districts, thereby spreading existing personnel thinner and increasing their workload.

In view of the fact that the basic law guarantees the services of soil conservation technicians to all districts, new as well as existing districts, the committee feels that some expansion in funds and personnel is warranted each year as new districts come into the program. Further, in view of the increased amounts requested by the President for the watershed protection and flood-prevention program, in line with the proposal to increase public works expenditures generally, it is essential that the Soil Conservation Service be staffed with adequate well-trained technicians.

Accordingly, the committee has increased this appropriation by $2,500,000 to assure sufficient technicians to staff existing districts properly and provide technical assistance to new districts as they are established. Also, the additional funds are provided for adequate technicians to advise and assist in the

planning and construction work on the 11 major watersheds authorized in 1944, which are still only about 24 percent completed, and on the small upstream watershed projects under the pilot program and Public Law 566, 83d Congress.

Watershed protection: The original budget requested the sum of $14 million for the fiscal year 1959 for this program, a reduction of $11,500,000 below funds provided for fiscal year 1958. House Document No. 351, transmitted by the President on March 12, 1958, increased the budget estimate to $24 million. The committee recommends $25,500,000 for the coming year, the amount appropriated for fiscal year 1958.

The original budget estimate of $14 million provided funds to initiate 60 new watershed projects during the next fiscal year, as well as to continue work on existing projects. The additional funds requested in House Document No. 351 will authorize an additional 48 watershed projects in 1959. The amount recommended in the bill will provide for continuation of work on the 100 watershed projects now under way and will permit the initiation of 108 new projects.

Flood prevention: The original budget estimate proposed $13,220,000 for flood prevention during the coming fiscal year. A supplemental estimate transmitted to Congress in House Document No. 351 on March 12, 1958, increased the amount for the fiscal year 1959 to a total of $18 million.

The full budget estimate of $18 million has been allowed in the accompanying bill. The additional $4,780,000 will permit the acceleration of work now in progress on the 11 authorized watersheds financed by this appropriation.

The committee feels strongly that every possible effort must be made to speed up the work on these projects. It was contemplated when this program was established in 1944 that the work on these watersheds would be completed in about 15 years. A special study of this program during the past recess of Congress indicates that the average rate of completion as of last June 30 was only 23.8 percent. This study shows further that, at the present rate of progress, it will take another 20 to 25 years to complete some of these projects.

Evidence before the committee indicates that considerable savings have resulted from the work already completed under this program. A study of flood damage in treated and untreated areas in Texas and other parts of the country shows conclusively the value of this work. In the opinion of the members of the committee, the taxpayer cannot afford to further delay its completion.

During the hearings, the extent to which the Department should transfer funds among the various projects was discussed. The committee agrees that some latitude is needed to expedite the work. It feels, however, that Congress should be kept currently advised of proposed shifts of funds from one project to another in view of the importance of each of these projects.

Water conservation and utilization projects: The full budget estimate of $335,000 is recommended for the coming fiscal year, a decrease of $15,000 in the budget estimate.

Nineteen water conservation and utilization projects were originally authorized under this program. Six of these projects have been discontinued due to inflationary land prices and other changes. Twelve projects have been fully completed. The only remaining project, located at Eden Valley, Wyo., is scheduled for completion in the fiscal year 1962. The small reduction proposed is made possible by the completion of certain phases of the work on this one remaining project.

Great Plains conservation program: The accompanying bill includes the full budget estimate of $10 million for the coming fiscal year. This is the same amount as was appropriated for the fiscal year 1958.

This is a voluntary program which supplements other conservation programs and activities in designated wind erosion counties of the 10 Great Plains States. Cost-sharing contracts extend from 3 to 10 years and include a plan of operation for the farm or ranch and a time schedule for installing eligible conservation practices. All contracts must terminate by December 31, 1971. The cost-sharing rates under this program run up to 80 percent of the average cost of installing each eligible practice.

This is a new program which was authorized last year for the first time. It is getting under way gradually and is expected to be in full operation by fiscal year 1959. While the committee feels that eventually it should be made a part of the regular agricultural conservation program, it has taken no action to consolidate such programs at this time.

AGRICULTURAL CONSERVATION PROGRAM

For the fiscal year 1959, an appropriation of $235 million is recommended. It is expected that this amount will provide adequate funds to meet all commitments made to participants under the 1958 program authorization of $250 million. The reduction results from savings which will not cause the Federal Government to fail to meet its commitments under the advance program authorization made last year.

The President's budget proposed to reduce the advance 1959 program authorization from the $250 million level which has been in effect since 1955 to $125 million for the coming year. This is the third time that the budget has recommended a decrease below $250 million since 1953.

The committee has restored the full $250 million program for 1959. Testimony from dirt farmers, as well as from farm organizations and others, demonstrates fully the importance of this program to the agricultural producers of the Nation, especially in these times of serious economic stress in agriculture. This testimony, which is included in part 5 of this year's hearings, deserves the attention of all who are interested in agriculture.

A study of the effect on the natural resources of this country in recent years from droughts, floods, and other natural disasters provides convincing evidence of the real value of this program to the Nation as a whole. The significant savings to our land which have resulted from the work done provide a solid justification for continuation of this program at the present level. The transformation of many sections of the country from barren and badly eroded fields to fertile and attractive areas also can be attributed to the incentives offered by this program. In view of the tremendous sums spent in restoring damage caused by natural disasters in many areas of the country in recent years, it is apparent to the committee that it is less costly to the Nation to prevent the loss of soil and water through this program than to restore the damage after it has happened. Further, that top soil which flows down our streams and rivers every day of the year is lost forever to future generations.

Testimony presented to the committee indicates that over 1¼ million farmers participate in the agricultural conservation program, whereas less than 100,000 farmers are participating in the conservation reserve program. It is also significant to note that the participants in the agricultural conservation program put up about 50 percent of the funds expended, plus their labor, while under the conservation reserve the Federal Government provides up to 80 percent of the funds expended on the land.

It will be recalled that last year the committee combined all soil and water conservation appropriations into a single item to provide more administrative flexibility and encourage eventual consolidation of the various conservation programs of the Department into a single effort. The committee has not combined the funds for these items in the bill for fiscal year 1959 because of some of the technical differences between the various programs. It still believes, however, that eventual consolidation of the agricultural conservation program, the conservation reserve program, and the Great Plains program is desirable. It is believed that changes in the agricultural conservation program to allow more flexibility in the Federal share of cost-sharing practices and to permit contracts for a longer period than 1 year would make such a consolidation possible. The committee strongly urges the Secretary to study this matter between now and next January with the view to presenting the 1960 budget on this basis.

In the conference report on the 1958 appropriation bill, the conferees directed that no changes be made in the 1958 agricultural conservation program to restrict eligibility requirements or delete cost-sharing practices included in the 1957 program. This action was taken in view of information received by the conferees that some change in program was contemplated. The committee has been assured by responsible officials of the Department that this directive was followed, and evidence presented to the committee indicates that no changes were made in the 1958 program.

The committee feels that the 1959 program should be continued on the same basis as the 1957 and 1958 programs. It is convinced that a program which

has been accepted by over 1¼ million farmers, where there has been discretion at the local level to select those practices of the most benefit to each locality, should not be changed. It believes that this method of operation provides the freedom from domination by Washington which the Secretary of Agriculture advocates.

The committee also wants to commend the county committee system, where locally elected officials control local operations. This democratic procedure is probably the most effective means that can be devised of getting conscientious and effective participation at the local level. Generally speaking, those who earn all or a portion of their living by tilling the soil are the best qualified to determine the conservation practices needed in each locality, see that they are applied in the most effective manner, and assure that the American people get the greatest possible amount of conservation for the tax dollar spent through this program.

AGRICULTURAL MARKETING SERVICE

Marketing research and service: A total of $28,192,000 is proposed for 1959. This amount includes $14,095,000 for marketing research and agricultural estimates and $14,097,000 for marketing services. The amount recommended for marketing research and agricultural estimates is the budget estimate. It is also the amount which will be spent in 1958, due to a saving of $21,700 made in 1958.

As stated early in the report, the committee has transferred $7 million requested for poultry inspection to the meat inspection appropriation under the Agricultural Research Service. It is believed that this is an economy move and will help meet the ever increasing demands on the meat-inspection service.

The funds provided for marketing services include an additional $40,000 to strengthen the enforcement of the Grain Standards Act and $125,000 to provide more effective administration of the Packers and Stockyards Act. A better job needs to be done in both these fields, and some additional funds appear to be necessary.

During the past recess of Congress, the committee made a special inquiry into the administration of milk marketing agreements by the Department of Agriculture. This study resulted from numerous complaints concerning the procedures followed in establishing and expanding milk marketing areas. The report on this study raises some basic questions concerning the regulations issued, the failure to notify all interested parties when hearings are held, the rights of an individual member of a cooperative to cast his own ballot, and the protection of a producer not in an area covered by a marketing agreement. The committee has been informed that the Department is giving this matter careful study to make certain that proper regulations are issued and the fairest possible procedures are followed. The committee recognizes that some inequities are bound to develop in the handling of these marketing agreements. However, it requests the Department to continue its review of this program.

Testimony before the committee indicates that significant improvements are being made in equipment for cleaning, bleaching, and other operations of the textile industry, which change the relative values in use of various cottons. In view of this development, it is believed that a change in the cotton classing standards of the Department might be in order. Therefore, the committee requests that the Department conduct a special study during the next year on this subject and be prepared to make recommendations at the next session of Congress.

The committee is pleased to note the studies which have been made concerning the establishment of premiums for lean or meat-type hogs in the meatpacking industry, as proposed in the committee report last year. The Department is urged to give this problem further study with a view to developing proposals for a shift by the meatpacking industry toward a proper grading of pork. Such a change would benefit everyone concerned: the consumer, the meatpacker, and the producer. It would create a greater demand for pork in this country. It would also enable the United States to again compete in world markets for pork and pork products; and it should help relieve the surplus of fats, now dependent largely upon Public Law 480 sales.

Payments to States, Territories, and possessions: The full budget estimate of $1,160,000 is recommended for the coming fiscal year, the same amount as was appropriated for the fiscal year 1958. Payments under this appropriation are made on a matched-fund basis to State and Territorial marketing agencies for programs designed to get into practical use improved methods and practices in the marketing of farm products.

While there is some evidence to indicate that State funds available for matching purposes will exceed the amount recommended for this purpose in the accompanying bill, the committee does not feel that it can recommend exceeding the budget request for this program.

School-lunch program: The committee recommends the full budget estimate of $100 million for the fiscal year 1959, a continuation of the appropriation authorized for the fiscal years 1957 and 1958.

In addition, the committee has included language in the bill to transfer $55 million from section 32 funds to section 6 of the school-lunch program to assure a more adequate supply of foods for school lunches. In the use of these additional funds, attention should be given to the purposes intended by the legislation establishing the section 32 program, that is, the purchase of temporary surpluses which may have a depressing effect on the market.

This program continues to grow each year. The number of schools participating, the number of schoolchildren receiving lunches, and the number of meals served in 1957 were at an alltime high. Further expansion is expected during the coming fiscal year.

It is significant to note that the average cash reimbursement per meal from Federal funds has decreased from nearly 9 cents in 1947 to an estimated 4.3 cents in 1958. Based on the amount recommended by the budget, it would drop below 4 cents per meal next year. When it is realized that the reimbursement for a half pint of milk under the special milk program is 4 cents, it seems unrealistic to allow the Federal reimbursement to drop to less than 4 cents for a full-course type A meal.

Many individuals and organizations associated with this program have urgently requested additional appropriations during the coming fiscal year, with proposals running from $130 million to as high as $200 million. There is considerable justification for these proposals in view of the increasing numbers of children participating in the program and the increased prices of food.

The use of section 32 commodities has been encouraged in the past because of the need for such commodities in the school lunch program and because of the importance of action by the Department to purchase small quantities of temporary surpluses to prevent market drops. In the past few years, the committee has been disappointed by the failure of the Department to use this fund for the purposes for which intended.

In fiscal year 1957 approximately $132 million of donated commodities were used in the school-lunch program. During the current fiscal year, it is estimated that this will decrease to $76.4 million, a reduction of over $55 million. Department officials indicate that, in the absence of the transfer proposed by the committee, the quantity of donated food would remain the same in 1959. The committee has made this transfer of section 32 funds in order to maintain the level of commodities available at not less than the $132 million level in 1959.

In the opinion of the committee at least part of the reduction has resulted from a failure of the Secretary to move in promptly with section 32 funds and support the price levels of various commodities. A review of the testimony on this point will clearly indicate the reluctance of the Department to use section 32 funds for the purposes intended when the program was established. It will further reveal the strong criticism which this committee has directed toward the Department for this failure to act to bolster markets for such commodities.

The committee has also been concerned by the fact that some of the commodities which have been urgently needed by the school-lunch program due to expanding school enrollments have been sold to foreign countries for foreign currencies under Public Law 480. While this practice is authorized by law, it feels that failure to make these foods available to the schoolchildren of America is a serious mistake.

The committee feels very strongly that everything possible must be done to encourage the use of section 32 funds to support prices of perishable products. It also feels that section 32 must be utilized as fully as possible to provide support for the school-lunch program. This is especially necessary in view of the fact that it has not been possible for Federal appropriations to keep pace with the growth in the number of schoolchildren

participating in the program and the rise in food costs.

FOREIGN AGRICULTURAL SERVICE

The committee recommends the full budget estimate of $4,002,300 for the coming fiscal year. This is the same amount as was appropriated for the fiscal year 1958.

This Service has done an excellent job in recent years. It has established an effective agricultural attaché service, with particular attention to the development of expanded foreign markets for American agricultural products. In addition, under separate funds established by this committee several years ago, it has developed a more effective program for obtaining statistics and information on foreign agricultural production and competitive sales in world markets and has made such information available to those who need it.

The committee has reason to believe, however, that in the conduct of its activities under Public Law 480, too little attention is being given to competitive sales for dollars. There is evidence that Public Law 480 disposals are frequently given preference over competitive sales. In this connection, the committee wishes to repeat that the only sound way to regain and retain foreign markets is through competitive sales. As has been pointed out by the committee many times, the charter of the Commodity Credit Corporation has always provided for sales in world markets on a competitive basis. The probable cause for continued stressing of dispositions under Public Law 480 is the lack of a consistent policy by the Department in favor of competitive sales.

The committee strongly supports the activities of the Foreign Agricultural Service. It believes, however, that its principal reason for existence is to stimulate the export of United States agricultural commodities through competitive sales for dollars. While there may be some justification for the sale of United States agricultural commodities for foreign currencies, in view of the present large holdings of the Commodity Credit Corporation, the long-range program of this Service should be directed toward a program of exports through normal channels on a truly competitive basis.

The hearings developed that within the past year, due to lack of funds, there has been a reduction in numbers of agricultural attachés and assistants, resulting in failure to staff some important foreign posts where attachés should be placed, mainly for market-development purposes. The committee has, as previously, given sympathetic consideration to providing needed funds for this very valuable organization. It is proposed, therefore, that the Department continue to expand as needed its market-development activities from Public Law 480 foreign currencies, as authorized under sections 104 (a) and (f) of that act, in order to support a more adequate attaché organization. Reports of the use of such funds were made to the committee and will be expected annually hereafter.

The Department is to be commended for including in Public Law 480 agreements, a "convertibility clause" whereby dollars are made available by conversion of local currencies, for use in market development and for other purposes in countries other than those from which the local currencies are derived. Extension and broadening the scope of such clauses to facilitate the use more generally of local currencies for market development and similar purposes would appear to be very desirable, and consistent with the purposes of Public Law 480.

COMMODITY EXCHANGE AUTHORITY

The full budget estimate of $832,000 is recommended for the coming fiscal year. This is the same amount as was provided for the fiscal year 1958. No significant changes in program or workload have taken place during the past year, nor are any projected for the coming fiscal year.

SOIL BANK PROGRAMS

Conservation reserve: An appropriation of $250 million is recommended to cover expenditures under this program during fiscal year 1959. This will provide $64 million to meet payments due under 1956–57 contracts, $146 million to meet commitments under 1958 contracts, $23 million for payments on 1959 contracts, and $17 million for transfers, operating expenses, and production of forest tree seedlings.

The budget included $242.9 million for payments against 1958 contracts. As of March 1, 1958, only $47.9 million worth of contracts were signed, and the signup period closes on April 15. The committee estimates, therefore, the signups will total only $146 million for the year. Accordingly, it has reduced the funds for this purpose by $100 million.

The Congress is obligated, however, to honor 1958 contracts up to the full authorization in the 1958 appropriation act. Should commitments exceed the amount provided in this bill, additional funds will have to be made available at a later date.

For the 1959 crop year, the committee has included a program authorization of $300 million. This should allow adequate funds to meet the needs of the program on a sound basis for the next fiscal year.

Under this program some $200 million was spent during fiscal years 1957 and 1958, with another $250 million provided in this bill for next year. If the full $450 million were provided each year and, if 15-year contracts were entered into, as authorized by the Soil Bank, it is conceivable that this program could commit the Congress to the appropriation of some $5 billion or $6 billion before finally liquidated. This is as much as the cost of the price-support program since its inception in 1932.

Since the Secretary now says that control of production by reduction of acreage will not work and has recommended ending the acreage-reserve program, serious questions are raised as to the continuation of the conservation reserve on the present basis. Even if production controls were desirable there is some room to doubt as to whether this approach would bring about the desired results.

From evidence before the committee, it appears that most of the land placed in this program is marginal land which has never been productive. A special survey made last fall by the committee, which was printed in part 1 of this year's hearings, shows that the heaviest participation has been in limited areas of the country. It shows further that 10 percent of the total acreage in the 1957 program was in 14 counties of the Great Plains area which were dropped from the crop-insurance program several years ago due to extremely heavy losses.

Further, evidence before the committee raises questions as to the value of the program as a conservation program. A total of less than 100,000 people participated in the 1957 program, as compared to 1¼ million participants in the agricultural conservation program. Also, the Federal payment for conservation practices under the conservation reserve, where the Government also pays annual rental on the land, is much higher than for ACP—up to 80 percent for some practices.

The investigation report referred to earlier also indicates that, in some areas, the rent paid under this program by the Government will reimburse the participant for the full value of the land in about 3 years. Numerous examples are cited, also, of the division of land among families, relatives and others for the purpose of getting around the limitation of $5,000 on the amount which may be paid any one participant. In one case the payments ran as high as $48,920.

In order to put this program on a more sound basis, and in order to keep it in line with other conservation programs of the Department, the committee has included language in the bill which will limit the rate of payment in any one year to 20 percent of the value of the land and will prohibit payments to participants who illegally divide their land to increase their payments. The proposed language will also make the Federal share of payments for conservation practices comparable to rates established for the agricultural conservation program.

The committee also directs that 50 percent of the funds transferred from this appropriation to the Office of General Counsel shall be used for the specific purpose of checking contracts to determine legality in cases where actions may have been taken to evade limitations in the act or administrative regulations, or where there may have been misrepresentation in fixing rates or other contract terms.

It appears that the operating costs for this program are too high, as compared to other conservation programs of the Department. In 1957, $18 million was spent to administer some 90,000 conservation reserve contracts. This is 75 percent as much as the amount used to administer the agricultural conservation program with 1¼ million participants.

Acreage reserve program: An appropriation of $330 million, the full budget estimate, is included in the bill for the coming fiscal year to pay off contracts signed under the 1958 crop year program. In view of the unexpectedly heavy signups for the 1958 program, it may be necessary to supplement these funds at a later date. As proposed in

the Budget by the President and the Secretary of Agriculture, no authority is provided for a 1959 program.

This acreage reserve program cost approximately $525 million in fiscal year 1957 and will cost another $600 million in fiscal year 1958. When taken with the conservation reservé, the cost of the two programs for fiscal years 1957 and 1958 is $1.3 billion. This is more than the cost of the price-support program for the past 15 years of its existence.

COMMODITY STABILIZATION SERVICE

Acreage allotments and marketing quotas: An appropriation of $39,715,000 is included in the bill for the fiscal year 1959. This is the full amount of the budget estimate and is a reduction of $1 million below funds appropriated for fiscal year 1958.

The decrease of $1 million is made possible by improved methods of operation at the county office level. Also, it is expected that the workload of the ASC county offices in administering acreage allotments and marketing quotas will decrease as additional acreages of cropland are placed under the conservation reserve program.

Sugar Act program: The committee recommends the sum of $71 million for 1959, an increase of $3,337,500 over the 1958 appropriation and a decrease of $5 million in the budget estimate. Estimates submitted to the committee indicate that sugar production from 1958 crops will exceed 1957 crops. Additional funds are needed to cover increased payments to producers in line with the increased production. Also, a portion of the increase is required to make payments on a small part of the 1957 crop which could not be made from funds available for 1958.

FEDERAL CROP INSURANCE CORPORATION

The committee recommends the full budget estimate of $6,376,700 for administration of this program in 1959. This is the same amount as was authorized for fiscal year 1958.

In accordance with the established policy of limited operations on an experimental basis, the 1958 crop insurance program will operate in 818 counties. No net increase in counties is planned for 1959. However, insurance on additional crops will be offered in some of the 818 counties where insurance is already available. It is estimated that 380,000 crops will be insured in 1959 as compared to 365,000 crops insured during fiscal year 1958.

Although losses were heavy in a few areas in 1957, latest reports indicate that income will exceed indemnity payments by about $5.7 million. Generally, the principal causes of loss in 1957 were drought, plant disease, excessive moisture, and freezing. In view of rather heavy losses during the several previous years due to floods and drought, particularly in the Great Plains area, the reported net profit for 1957 is especially encouraging. This is particularly true, since it seems preferable to continue this program as a means of meeting agricultural disasters, where the producers participate, rather than to appropriate large sums of Federal money in the form of disaster relief.

RURAL ELECTRIFICATION ADMINISTRATION

Loan authorization: The budget for fiscal year 1959 proposed $150 million for rural electrification loans and $56 million for rural telephone loans. From information supporting that budget it might be presumed that those estimates represent the loan requirements for these purposes for a full year. Testimony developed during the hearings, however, discloses that the sums requested are approximately one-half the amounts necessary to cover loan needs for the full fiscal year.

The loan fund estimates submitted to Congress in the regular budget in January were based on the assumption that Congress would enact into law proposed legislation which provides that the local REA cooperatives will obtain a portion of their loan funds in the future by borrowing from private sources. The principal provisions of this bill, recommended by the President and the Secretary of Agriculture, but not yet officially introduced by any Member of Congress, appear in the hearings on pages 1847–1848 of part 3.

It is to be noted that, under the terms of this proposed legislation, the operating costs of the REA cooperatives would be increased through a substantial increase in interest rates. Further, the legislation would increase the Government's liability to the private lenders and would make it possible for the first lien, which the Government now has on the approximately $3.6 billion in assets of the REA cooperatives, to be surrendered to purchasers of the debentures or bonds issued by the REA. This could lead to the taking over of this great program by foreclosure by the purchasers of the bonds or debentures and could result in the complete loss of these valuable assets to the Federal Government.

The committee wishes to go on record at this point as strongly opposing any such proposed change in the law. It can see no possible benefits to the REA cooperatives and it can foresee the possibility of enormous losses to the taxpayers if such legislation were adopted. It is to be noted that so far no one has introduced such proposed legislation in the Congress.

The committee is of the opinion that the REA program as it now exists is sound. It has extended electric service to rural America to the point where 95 percent of all rural residents are now served. It has furnished electric power for agricultural purposes at a cost which agricultural producers can afford. Furthermore, it has set an enviable repayment record, in that the rate of repayment on loans made to date, including interest, exceeds 100 percent of maturities due.

The committee can understand why there are some in this country who would like to take over the first lien on the properties of this large and successful operation. It feels, however, that the interests of the taxpayers must be protected against such possibility, since the taxpayers' money has been used to establish this program and build it up to its present level of operation.

In order to assure that adequate loan funds are available during the coming fiscal year, the committee is recommending $300 million for electrification loans and $60 million for telephone loans. In addition, it has provided a contingency fund of $25 million for each program, if needed. Based on the best estimates available from REA sources, these amounts appear to be sufficient to cover a full year's needs. If applications exceed present estimates, however, the committee will consider the need for additional funds at a later date.

The committee does not feel that its recommendations for this purpose for the coming year should be based on the remote possibility that the proposed legislation which provides for financing through private sources will be enacted into law. It feels that sufficient loan funds should be made available by the Congress in this bill to cover all loan applications which will be approved by the REA during the next fiscal year. Since these loan funds will be repayed in full, plus interest, to the Treasury of the United States, and since no funds are drawn from the Treasury until loan applications are approved, regardless of the size of authorizations provided by Congress, there is no sound reason for not providing sufficient loan authorizations to meet all foreseeable needs. It is pointed out again that these loan funds are secured by a first lien on the lines and equipment of the REA cooperatives.

Salaries and expenses: For administrative expenses for the REA program, the committee recommends the budget estimate of $9,019,000, a decrease of $11,950 below the appropriation for the fiscal year 1958. Of the funds appropriated for 1958, $11,950 was placed in reserve and will not be used during the current year. Therefore, the amount proposed for 1959 will cover the same administrative costs as were required during the fiscal year 1958.

FARMERS' HOME ADMINISTRATION

Loan authorizations: For the lending programs of this agency, the committee recommends a total of $209,500,000 for the coming fiscal year. This includes $24 million for farm ownership loans, $180 million for farm operation—production and subsistence—loans, and $5½ million for soil and water conservation loans. The total amount recommended is $34½ million more than combined estimate of $175 million included in the 1959 budget. The amount recommended for each program is the same as was provided for the fiscal year 1958 for these programs. In addition, a contingency fund of $20 million is provided for production and subsistence loans, if needed.

The 1959 budget proposed to consolidate the loan funds for all these programs into one amount and reduce the total to $175 million. The committee has not approved the budget recommendation on this matter. It feels that the past practice of authorizing a specific amount for each program should be continued.

If the Department feels that some latitude is needed to transfer funds from

one category to another, the committee is willing to consider such proposal. However, it cannot go along with the proposal which would make it possible for the full amount of the combined authorization to be used for one program at the expense of the others. For example, under the 1959 budget proposal, the Department could spend the entire $175 million requested for one type of loan program. The entire amount could be used for soil and water conservation loans for which a maximum of $5½ million has been provided heretofore.

The committee was also surprised to note that the budget proposed a maximum of $175 million for all loan programs of this agency. During the past few years, $180 million has been spent on one of the programs alone, the production and subsistence loans. It will be recalled that even this amount has been inadequate for production and subsistence loans in recent years. Many areas of the country have run out of loan funds for this purpose early in the spring of each year.

Attention is directed to the fact that this program has reached the point where annual collections will soon equal the amount of loans made each year. In fiscal year 1957, collections of principal and interest totaled $183.6 million as compared with $231.9 million advanced for such loans. In 1958, collections are estimated to total $214.3 million as compared to loans of $209.5 million. In fiscal year 1959, collections are estimated at $227.1 million as compared to a proposed loan authorization of $209.5 million.

As has been pointed out in previous years, the repayment record of this program is very good. The repayment of principal plus interest frequently exceeds amounts due, with some borrowers repaying in advance of the repayment rate required. In view of the fact that these loans are generally made to those who cannot secure credit elsewhere, the committee feels that this is an excellent record which fully supports the provision of adequate loan funds to meet the needs of this Agency's borrowers.

In granting funds for farm ownership loans, the committee believes it to be highly desirable that the most cautious discretion be used to prevent placing a debt burden upon borrowers. The continuation of the so-called price-cost squeeze coupled with high land values has affected ability of some borrowers to repay loans. The Farmers' Home Administration has a dual obligation of advising the borrower and giving Government direction concerning his farm management problems and creating a national atmosphere conducive to sound land investment.

The committee is disappointed at the refusal of the officials of this Agency to to more fully use their authority to meet credit needs in disaster areas. Heavy losses due to drought, floods and weather continue to plague agricultural sections of the country.

Due to heavy rains during the harvesting season last year, much of the cotton production of the southeastern part of the country was lost. This has created a serious economic situation in that area. Since many of these farmers have no other possible source of credit or relief it is imperative that the Department step in and meet their needs. Past experience in similar situations demonstrates that these people can be relied upon to meet their obligations and repay these disaster loans on a reasonable basis.

Salaries and expenses: The committee recommends the full budget estimate of $29,089,500 for the coming fiscal year, the same amount as was appropriated for the fiscal year 1958. It is expected that the loan activities of the agency will remain about the same in 1959 as during the current year.

OFFICE OF THE GENERAL COUNSEL

The 1958 appropriation, $2,943,000, is again recommended for this Office for the coming fiscal year. This is a decrease of $100,000 in the budget estimate.

The committee is of the opinion that in recent years this Office has failed a number of times to render objective opinions on legal questions. This appears to be based on determinations by departmental officials prior to a request for formal legal opinions, with the General Counsel being asked subsequent thereto to render formal opinions to support determinations made or actions already taken. This has led this Office to be used largely to bolster administrative policies and decisions. An illustration of this is the position taken by the General Counsel with respect to developments under the 1958 acreage reserve program. Despite language in the Soil Bank Act which provides that "the limits within which each farm may participate in the acreage reserve program shall be established in such manner as the Secretary determines is reasonably calculated to achieve the national reserve acreage goal and give producers a fair and equitable opportunity to participate in the acreage reserve program, taking into consideration their acreage allotments or farm base acreages, whichever may be applicable, the supply and demand conditions for different classes, grades, and qualities of the commodity, and such other factors as he deems appropriate," the General Counsel held officially that farmers who went to the place designated for the signup, within the time specified by the Department, could be denied their right "to participate on a fair and equitable basis" by the Secretary surrendering his responsibility to various State committees. While this decision may have served to support the Department's refusal to scale back rates offered or limit acreage within the $500 million program announced last year, it appears erroneous to a majority of the members of the committee. This decision led directly to spending $250 million additional in the acreage reserve program above that authorized by Congress last year.

The committee and the Congress were required to protect the rights of such farmers under the law, after the Department refused to take any action, by including an additional authorization in the Second Supplemental Appropriation Act of 1958. Such emergency action would not have been necessary, however, if an objective opinion had been rendered in this case by the general counsel. The committee has also taken exception in recent years to several other important decisions rendered by the general counsel on the basis that they were not objective, but rather sought to serve the purposes of the officials requesting the decisions.

The committee has not approved the $100,000 increase recommended in the budget in the belief that there should be a change in the basic concept of the duties of the general counsel before further expansion is approved.

OFFICE OF THE SECRETARY

The committee recommends $2,668,895 for fiscal year 1959, an increase of $8,235 in the budget and an increase over the amount appropriated for the current fiscal year. This increase is a transfer from the Office of Information and is provided to cover the preparation and distribution in this office of speeches by the Secretary, the Under Secretary, and the various assistant secretaries, work heretofore performed by the Office of Information. The committee believes that all funds and personnel used for preparation and handling of speeches of these top officials should be located in the immediate office of the Secretary.

During the past recess of Congress, the committee conducted a study of the activities of the Office of Information in connection with the preparation and distribution of speeches by the Secretary and his immediate assistants. Based on this study it is estimated that a total of $41,179 has been spent to prepare and distribute the Secretary's speeches since January 1953. This averages about $8,235 per year.

The committee questions the use of funds and personnel of the Office of Information for speech writing and distribution. Many times such speeches are of a political nature, frequently they contain only a portion of the story and present only limited factual information, and are detrimental to maintaining confidence in the Office of Information.

Language has been included in the bill to permit the charging of travel expenses of hearings examiners to the various funds which finance the subject matter of the hearings conducted through this appropriation. This arrangement seems to be the most satisfactory way to meet the large fluctuations in workload for the different programs, which are hard to predict in advance. The committee requests that it be kept advised of the use of this authority by the Department.

OFFICE OF INFORMATION

For the coming fiscal year, the committee recommends $1,359,265, a reduction of $8,235 in the budget estimate and in the amount appropriated for fiscal year 1958.

It is to be noted that the primary purpose of this Office is to disseminate results of scientific research carried on by the various agencies of the Department. To protect the integrity of the Office, and to limit its function to the distribution of scientific information, for which purpose it was created, the committee has transferred $8,235 to the Office of the Secretary so as to center in that Office the

preparation and distribution of speeches by top officials of the Department.

LIBRARY

The full budget estimate of $772,000 is recommended in the bill for the coming fiscal year. This is the same amount as was provided for fiscal year 1958. No change in functions or workload is expected during the coming year.

COMMODITY CREDIT CORPORATION

Restoration of capital impairment: The budget estimate of $1,760,399,886 is included in the bill for restoration of capital impairment of the Corporation through June 30, 1957. A breakdown of this amount is as follows:

[In millions]

Price support program:	
Basic commodities	$907
Mandatory nonbasic commodities	296
Other nonbasic commodities	96
Total, price supports	1,299
Commodity export program	147
Interest, administrative and other (net)	314
Total	1,760

For a number of years now, the committee has insisted that the Department offer its commodities for sale in world trade on a competitive basis for dollars, in order to keep United States commodities on world sales counters, and in order to move the huge surpluses in storage in the United States. After continued urging by this committee and after the establishment of a special sales organization for the Corporation in the 1956 Appropriation Act, the Department began moving agricultural commodities in foreign trade for dollars. This program proved very effective and large quantities of United States commodities were moved into world trade as a result. As a matter of fact, the Secretary has claimed considerable credit for the volume of commodities which have moved into foreign markets during the past several years. In recent months, he has pointed out that CCC holdings have gone from a high of $8.9 billion in 1956 to approximately $7.2 billion as of January 1958.

The committee is proud of what has been accomplished in this connection and strongly insists that the Secretary continue to offer our commodities in world trade on a competitive basis for dollars. Considerable progress has been made in regaining historical markets for the United States and discouraging expansion of foreign production of commodities in competition with this country. Any actions taken to decrease the effectiveness of this highly successful competitive sales program would be a real disservice to the Nation.

Administrative expenses: The committee recommends $35,398,000 for the administrative expenses of the Corporation during the coming fiscal year. This is a reduction of $702,000 in the budget estimate and is the same amount as was provided for the fiscal year 1958.

No increase in funds for the coming fiscal year appears to be warranted. The estimated workload in price support operations will probably be less in the coming fiscal year than during the present year.

FARM CREDIT ADMINISTRATION

The bill includes administrative expense limitations of $3,818,000 for the Farm Credit Administration and the Federal intermediate credit banks for the fiscal year 1959. This is a decrease of $1,757,000 in the administrative expense limitations authorized in 1958. The amounts recommended include $2,125,000 for the parent organization, the Farm Credit Administration, and $1,693,000 for the Federal intermediate credit banks.

The amount provided for the intermediate credit banks covers expenses for the 6-month period ending December 31, 1958. Effective January 1, 1959, the administrative expenses of these institutions are not subject to Congressional limitation, as provided by the Farm Credit Act of 1956.

The Federal Farm Mortgage Corporation has been inactive since July 1, 1957, when its loan authority was repealed. As of June 30, 1955, all assets except reserve mineral interests were liquidated through bulk sale to the Federal land banks. All Government capital has been repaid except $10,000 which will be returned in 1958.

Now, as to the three or four things that are of a great deal of interest to the Members of the House. First may I say that with regard to the REA, the budgeted amount that was sent down by the Department in December was for one-half year. The committeee, therefore, has doubled the amount of loan authorization for electrification loans, which is in line with the testimony of the Department as to the needs. We have also provided $25 million in a special contingency reserve, which means that if the funds are used up, they have a way to meet those needs. I point out again that these funds are repaid to the Treasury, and this great organization has a wonderful record of repayment.

Many Members of the Congress have expressed interest in the Soil Conservation Service. There is a continuing need for additional funds for this agency, because the law provides that we must give personnel to new districts. Next year there will be about 40 new districts.

We had another change in the outlook come up during the period of the hearings. The President sent a supplemental request for the watershed program and for the flood-control projects in this Department. In the one instance I believe it was an increase of $10 million. The committee added $1.5 million to bring those funds for next year up to the amount available this year. In flood control I believe there was an additional budget of nearly $5 million. The purpose of the supplemental estimate by the Bureau of the Budget was to expedite the completion of these flood-prevention projects. I think it is highly important that we expedite this work.

The record shows in one place, in Oklahoma, I believe, where they completed these small watersheds on one tributary, that the damage in that flood was 71 percent less than it was on other tributaries of the same stream where we had not completed the work. Thus in order to meet the needs, in order to expedite this work and provide personnel for new districts there is $2½ million added to the budgeted amount for the Soil Conservation Service.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. AVERY. Mr. Chairman, referring again to the conservation program, I notice an item for emergency conservation measures. Would the gentleman comment on that? That is a $20 million item.

Mr. WHITTEN. To which page is the gentleman referring?

Mr. AVERY. At the top of page 41 under the ACP program, a new item; that is, it is new to me, anyhow. It says, "Emergency conservation measures."

Mr. WHITTEN. As I understand it, that has to do with emergency appropriation which we had last year.

Mr. MARSHALL. Mr. Chairman, will the gentlemen yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. That was a supplemental appropriation which we passed last year for that purpose.

Mr. AVERY. Mr. Chairman, if the gentleman will yield further, I did not quite understand the gentleman from Minnesota.

Mr. MARSHALL. Last year the Department came up, because of the acute situation in the matter of soil conservation, and asked for a supplemental appropriation. That item was included in the supplemental appropriation as of last year.

Mr. AVERY. Then does that continue the same program for the fiscal year 1959? If it was a supplemental appropriation, why is it continued in the regular bill unless it is a continuing program?

Mr. MARSHALL. It was felt that the need for that was on an emergency basis and that was provided last year.

Mr. AVERY. Then it is not in the program this year?

Mr. MARSHALL. If the gentleman will look at his column again, that is in the 1958 column. It is not a 1959 item.

Mr. AVERY. But it was not in the regular bill last year, but was a supplemental item?

Mr. MARSHALL. That is right.

Mr. AVERY. I understand it now; and I thank the gentleman for yielding.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. SHEPPARD. Mr. Chairman, I am taking this time, with the gentleman's permission, to make an inquiry because of a substantial number of letters and wires that I have received concerning a station at Fontana, Calif. There is a fear that that station will be discontinued because of a lack of sufficient funds for the continued operation of that research station. Would the gentleman tell me whether that is or is not correct?

Mr. WHITTEN. We have not eliminated funds for any research stations. The Bureau of the Budget recommended that certain research work at certain stations be eliminated, but the committee

has taken the view wih reference to research stations that they should be continued. I am not familiar with the specific case to which the gentleman refers, but I know there is nothing in this bill to stop operations of any research station. In fact, we told them to keep the ones they had.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I was delighted to hear the gentleman say that an additional $2.5 million was being provided for this upstream watershed program. May I ask the gentleman, how many additional planning parties that will provide for the 48 States?

Mr. WHITTEN. May I say that the $2.5 million is for more technicians for the Soil Conservation Service. The actual funds for the watershed treatment are recommended in the sum of $25.5 million. For flood prevention on the 11 old watersheds we have approved $18 million. The $2½ million was to provide funds so that personnel could be provided to expedite the actual construction under these programs.

Mr. EDMONDSON. The gentleman is aware of the big lag we have had in getting work going on this watershed program because of a lack of planning parties. Is there any possibility of getting additional planning parties?

Mr. WHITTEN. When the gentleman adds the $2.5 million and also adds the other millions that are included, it is an indication that we do recognize the situation and are pushing ahead as fast as we can.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. In our studies of this matter and our recommendations we feel this would provide about 40 to 50 new soil conservation technicians.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I notice on page 16 of the committee report you have recommended this year that the poultry inspection be combined with the meat inspection service.

Mr. WHITTEN. May I say to the gentleman that our committee in considering this problem had the budget request before us. We are setting up a new inspection service. The committee was familiar with the fact that at the present time we have in Washington, under meat inspection, 42 people. We have 27 people proposed in the poultry inspection service. We now have 4 area offices for meat inspection, in Chicago, Los Angeles, St. Louis, and New York City. We have 145 main field stations and 347 subsidiary stations for meat inspection throughout the country. There are about 2,900 to 3,000 inspectors.

Now they propose to set up another inspection service for poultry all over the United States. The committee, looking at it from an appropriations-process viewpoint, felt we should not set up a new organization with all this widespread number of offices. I have here the number of offices in each State.

These are the meat inspection stations and substations by States:

Alabama	6
Arizona	3
Arkansas	7
California	53
Colorado	4
Connecticut	8
Delaware	4
Florida	10
Georgia	13
Idaho	4
Illinois	32
Indiana	13
Iowa	18
Kansas	7
Kentucky	4
Louisiana	5
Maine	1
Maryland	7
Massachusetts	24
Michigan	9
Minnesota	13
Mississippi	4
Missouri	10
Montana	2
Nebraska	9
Nevada	2
New Hampshire	3
New Jersey	24
New Mexico	--
New York	32
North Carolina	4
North Dakota	3
Ohio	26
Oklahoma	1
Oregon	10
Pennsylvania	30
Rhode Island	4
South Carolina	6
South Dakota	6
Tennessee	8
Texas	20
Utah	4
Vermont	3
Virginia	17
Washington	8
West Virginia	1
Wisconsin	9
Wyoming	1
Total	492

Mr. FOGARTY. My purpose was to compliment the committee on putting the two together, but I was wondering whether you were allowing sufficient funds for a good inspection service for both meat and poultry. It has been brought to my attention that perhaps more could be used in this area, although I suppose you have allowed the full budget estimate.

Mr. WHITTEN. It is my judgment that we have handled it in such a way there will be adequate funds. This is a field where it is pretty hard to satisfy everyone. It is our judgment that, insofar as the poultry inspection is concerned, we will have a better inspection service and it will get off better if we do not give them too much money all at once to set up an organization, until they find out how it should be run.

I should like to take advantage of the gentleman's inquiry, though it is for a different purpose, to say that the committee found there are many, Members of Congress and others, who are doubtful about putting poultry inspection under the regular meat inspection service. May I say to the Committee that our purpose was not to put the poultry inspection under anyone else, nor was our purpose to put the poultry inspection directly under the Agricultural Research Service. It was our purpose to direct the Department to keep down any duplication of offices and other things, which would be terribly expensive. I will extend my remarks to carry a statement interpreting that section of the committee report as to what we intended. But I do say to the gentleman from Rhode Island that it was the judgment of the committee that we have provided all funds needed.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. It is my understanding that while you may have provided adequate funds you still have not carried forward the recommendation of the Department of Agriculture, namely, that the poultry inspection be placed under AMS. Am I correct or incorrect on that?

Mr. WHITTEN. It came down under AMS. We felt if you kept them in two different titles in the bill, you would have—well, for instance, you have 42 supervising people under Agricultural Research Service. For poultry inspection they would have 27 new people in Washington under the Marketing Service. That would go all the way down through the various areas of the country. We felt that was ridiculous. Our purpose was not necessarily to transfer it from the Marketing Service over here. It was to point up the need to have a consolidation of the work in the various offices and not have duplication.

May I explain that in this agriculture appropriation bill we could have appropriated the full amount of money for the whole Department in one amount. They still would have had the right to use it in that way. The language I have written here is that we did not necessarily intend to transfer it but to give the Department liberty to go ahead and work this out in the way that might be best.

Mr. SEELY-BROWN. It is my understanding that you have not definitely committed yourselves to the belief that the research department is better qualified to carry on this kind of inspection than the Marketing Service which, in my opinion at least, would appear to be the more suitable setup for that work.

Mr. WHITTEN. Perhaps, I might save time if I just read this statement which I intend to insert in the RECORD at this point.

Mr. WATTS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. WATTS. In view of the gentleman's statement that he does not intend for poultry inspection to be placed together with the red-meat inspection and further in view of the fact that the appropriations for both services is in the research department; would the committee have any objection to the Secretary under the general authority of transfer that he has, to make such transfer from that fund to the Marketing Service as is necessary to carry out the poultry inspection?

Mr. WHITTEN. Speaking for the committee, I will say that we have no

such objection. On the other hand, we would stick to our position that this whole program should be handled in such a way as not to set up through the United States a duplicate set of offices, in view of the high cost and the tremendous number that would be needed. I have conferred with the Department and they understand that the committe does not necessarily try to lump these two under the Research Service.

Mr. WATTS. Mr. Chairman, will the gentleman yield for one further question?

Mr. WHITTEN. May I read this statement and I think that will spell it out. I would rather do that than to answer further questions, if I may. This statement is made in interpretation of the language that appears in the report.

The committee, in consolidating the funds for meat inspection, did not intend to thereby place poultry inspection under the Agriculture Research Service. Such action was taken in order to prevent the establishing of two sets of supervisors and offices in the same general field, since such action would result in needless expenditure of funds. The committee did not intend to place poultry inspection under meat inspection, but only to assure that the two activities were properly coordinated.

It is noted that a large number of offices presently exist at the area, district and Washington levels; and it was the belief of the committee that attention should be given by the Department to prevent needless duplication.

It may be that further study will be needed as to how properly to handle the inspection of red meat and that of poultry.

In the event it takes additional time to work this matter out, the committee wishes to state again, in any consolidation the differences existing between the poultry industry and the red meat industry should be kept in mind and in the inspection proper, poultry inspection should be by those inspectors who have been especially trained for that work.

The committee is of the opinion that in view of the difference in size and number of carcasses that the special system required with regard to poultry inspection should be limited to that essential for the protection of the public health and in no way should be along such lines as to slow down in any manner the operation of the poultry plant.

In the carrying out of this new compulsory poultry inspection, the Department should make every effort to prevent either poultry or red meat from being overshadowed by the other in the departmental organization. It is recognized by the committee that these two fields of meat production are competitive and the committee expects to follow the operation of the inspection service very closely to see that each industry is protected and that inspection in both fields be limited to that for which it was basically set up, that is, for the protection of public health. The committee expects to have a full investigation of possible existing duplications in this field, making note of that fact that approximately 25 percent of the poultry industry has been under voluntary inspection for some years.

Now that is about as clear as I can make it.

Mr. WATTS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. WATTS. I think that is a fine statement. I think it is not the intention of the gentleman or the intention of the committee to place poultry inspection under meat inspection. But, I would like to renew my question about the appropriation. The gentleman's committee did place the appropriation for poultry inspection under the research item.

Mr. WHITTEN. May I say this. Insofar as this bill is concerned, this is not controlling language and I have advised the Department of this expression which I just presented. May I say to the gentleman, if the agricultural marketing service had come first in the bill, doubtless the committee would have put it there. The only thing in the mind of the committee was to prevent duplication and extra expense.

Mr. WATTS. Then it is the intention of the gentleman since he just lumped the two sums together for the marketing service to use the funds.

Mr. WHITTEN. I would rather stand by my statement. May I say again I am not yielding on this—it is the attitude of this committee that it would be ridiculous to set up a large number of extra offices throughout the United States. When we stick to that principle, we will be able to work it out. We certainly want protection for the poultry industry. But, I have to say again that so far as I know nobody on the committee wants to set up a complete set of duplicate offices throughout the United States.

Mr. WATTS. Neither do I, if it could be avoided. I do not want poultry put under meat.

Mr. WHITTEN. I have made it clear in this statement that we do not either.

Mr. WATTS. The only reservation I had was that they have enough money to carry out the inspection in the Marketing Service.

Mr. WHITTEN. Certainly the Department has the money to carry it on wherever it is. They are aware of our intentions.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. LANDRUM. Did I understand the gentleman to say he has no objection to the Department working out, as it sees fit, which one of these agencies shall conduct the poultry inspection?

Mr. WHITTEN. May I say to the gentleman I just spent about 15 minutes trying to say that.

Mr. LANDRUM. I think it was a satisfactory statement, but I wonder if we could say this: Does the Department have authority, if it determines that the AMS is the best unit for carrying out this service—does it have the authority to transfer these funds, $7 million?

Mr. WHITTEN. It has the right to transfer meat inspection to the Marketing Service.

Mr. LANDRUM. Could it transfer part of this appropriation to the Marketing Service?

Mr. WHITTEN. It certainly could.

Mr. LANDRUM. And the committee has no objection to that?

Mr. WHITTEN. If it means setting up two sets of offices, we would certainly object.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. BECKWORTH. Has the Department of Agriculture indicated whether or not it would plan to set up another set of offices?

Mr. WHITTEN. The budget request came down for about $7 million, and the plans that they have submitted to us show that they want 27 people in Washington, 6 area offices, and possibly 7 with 60 new people. They want 1,200 inspectors. So they definitely had that plan at the outset.

Mr. BECKWORTH. Did the Department express an opinion of whether or not it feels that the inspection of poultry should be carried on apart from the inspection of red meat?

Mr. WHITTEN. Well, they recognized there are differences. They provide for specialized poultry inspectors.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MARSHALL. The Committee on Appropriations in considering this item is desirous of preventing all duplication possible. We do not want to build up any more personnel than possible. We want to do it as efficiently as possible without harming the service. Under the present system, unless we did something that was a duplication of Federal employees, we would run into a lot of ramifications.

Mr. WHITTEN. I yield to the gentleman from Washington.

Mr. HORAN. Our subcommittee has considered this bill as fully as we know how. In the budget, this year was in excess of $30 million for all types of poultry and red-meat inspection. There was an additional amount to institute this inspection of poultry and poultry products. Then, in addition to that, just to place this before you, there are allocations—and I hope the committee will listen to this—there are allocations from other departments in excess of $6 million also going to various sorts and types of meat inspection. We have before us, therefore, an overall item for various types of meat inspection, including poultry, in excess of $30 million. Our subcommittee was not satisfied that we were looking at the whole picture. As the gentleman from Minnesota [Mr. MARSHALL] has just pointed out, we can work this out. We felt that our committee should bring this whole picture to the Committee of the Whole House as we consider this bill, and that is what your chairman is doing at this time.

Mr. WHITTEN. I thank the gentleman.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield, but not on poultry.

Mr. CHELF. None of us wants needless expense or duplication.

Is the Department presently constituted to fulfill this job? Given this job can they take it on? Have they sufficient trained personnel?

Mr. WHITTEN. They have 80,000 people in the Department and over $1,600,000,000 to spend this year. They have the right to transfer 7 percent from one program to another.

Mr. CHELF. Are they skilled people, trained people?

Mr. WHITTEN. After it is in operation a while we will find out how much skill they have, but they are training inspectors in poultry at the present time.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. On some other subject; yes.

Mr. DIXON. I have been on my feet for 10 minutes seeking to ask a question.

Mr. WHITTEN. I am sorry; certainly I yield to the gentleman.

Mr. DIXON. The gentleman made a statement wondering whether the Department would carry out the suggestion of the committee, that is, with this cross-utilization of personnel the Department could continue this supervision under the marketing organization.

Mr. WHITTEN. May I say that the Department has broad authority and we have indicated to them that if, in the exercise of their discretion they prevent this needless duplication, they will not be breaking faith with the committee. That is all that is involved here. Whether it is utilized or not, the authority exists.

Mr. LANDRUM. Mr. Chairman, it has been my intention, until this moment, to propose amendments in this bill which would remove poultry and the amount of money required for poultry inspection under the Poultry Products Inspection Act of 1957 from the meat inspection item under Agricultural Research Service and place this inspection in the bill under the Agricultural Marketing Service.

I feel very strongly, as I know other Members of the House with large poultry establishments do also, that at least during the infancy of this new compulsory poultry inspection program its success depends on wise and experienced administration.

For more than 25 years the Agricultural Marketing Service has conducted a very successful voluntary program of poultry inspection. The officials of this agency are thoroughly acquainted with the problems of the industry and they recognize that the poultry and red-meat industries are to a great degree distinct in the overall agricultural economy and that the protection of consumer health involves the application of inspection procedures which necessarily must be different for each. Since the passage of the Poultry Products Inspection Act last year the Agricultural Marketing Service has promulgated and distributed rules and regulations designed to inaugurate the compulsory program. All of the processors engaged in interstate commerce must submit to the compulsory program in January 1959. Based upon the regulations and instructions issued to them by the Agricultural Marketing Service the processors have spent thousands of dollars remodeling their plants and getting new equipment so as to be able to comply with the law and the regulations.

For these and other reasons I believe that it is unwise, at this time, to require the Department of Agriculture to consolidate the red-meat program and the poultry inspection program into one agency.

In view of the statement by the distinguished gentleman from Mississippi [Mr. WHITTEN], chairman of this Appropriations Subcommittee, that it is not the intention of the committee to require this consolidation and, moreover, in view of existing authority in the Secretary of the Department of Agriculture to transfer funds from the Agricultural Research Service to the Agricultural Marketing Service I have decided to forego the offering of these amendments. I believe that the statement of the gentleman from Mississippi [Mr. WHITTEN], together with the legislative history of the Poultry Products Inspection Act is sufficient advice to the Secretary of Agriculture as to Congressional intent in this matter and I trust that there will be no consolidating of the inspection services, at least until a more complete study can be made of the problems connected with proposed consolidation.

Mr. ROBERTS. Mr. Chairman and gentlemen, I am here to urge this distinguished committee to make provisions for an increase above the budget of $6 million, as requested by the land-grant colleges for the extension and State experiment stations, with the bulk of this increase to be used to raise the salaries of the county agents.

It is my earnest belief and contention that the county agents deserve this proposed increase as much as any other group in the country today.

I am sure that I do not have to convince you gentlemen of the great contribution these county agents are making to modern agriculture in all parts of the country. I know you have in the past been a strong supporter of the extension-service programs. But the county agents have not gotten their fair share of increases in appropriations for these programs and I appeal to you today to see that this share is fulfilled.

My good friend, P. O. Davis, director of the extension service at Alabama Polytechnic Institute, that great land-grant college at Auburn, Ala., has said there are two most impressive and significant facts about American agriculture. One is that American farmers have developed the most efficient system of agriculture in the world. The second is that the United States is the only Nation that has established and developed the land-grant college system of finding facts through research and making them available for application by people where they live and work.

Mr. Chairman, this program, as you well know, is taken to the people where they live and work by the hard-working, patient, and underpaid county agents.

In Alabama, as in other parts of the country, the county agent is everywhere a farmer is trying to farm. He is solving problems, developing new techniques, helping young men and women to learn lessons about life itself. Through every public medium, through personal contacts, and through demonstrations, the county agent is reaching the man on the farm with sound, useful information. The county agent is the teacher, the advisor, the friend to the rural folk of America.

I think you will agree, at least I hope you will, that these dedicated workers deserve a reasonable salary increase. Last year, these men were granted a token increase, but it needs to be made equitable. Right now, the Congress and administration seems prone to grant a substantial raise to Federal employees. I urge you not to overlook the county agents, and I respectfully ask that you consider ways and means of increased appropriations to assure a much-needed helping hand to these county agents.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, so that the membership of the House might have in front of them the figures as to the cost of these agricultural items I had certain tables put in the hearings at page 2201. The first one is found in part 4 of the hearings and shows the different moneys that were paid to farmers by the Commodity Credit Corporation and other sources of funds.

The price support items ran to $2,913,847,754.

The mandatory nonbasic commodities ran to $481,111,637.

Other nonbasic commodities that appear there ran to $449,069,511.

The total is $3,844,028,902.

There were certain items of commodity export which total $81,674,693 which I assume should come out of that.

Then there were disbursements for purchases under Public Law 480 to a total amounting to $690,678,403.

For the removal of surplus agricultural commodities: Beef, eggs, fruits, pork and lard, turkeys, vegetables, wheat flour and cornmeal; diversion and export payments on potatoes, wheat and wheat flour, totaling $73,607,347.

This makes a grand total of $4,689,989,345. Over on page 22 appears the price schedule of different commodities, the high and the low, from 1952 down through the fiscal year 1957. I thought that the membership ought to have that before it.

Frankly, Mr. Chairman, I am very much disturbed about this agricultural situation. There has been more of an attempt to play politics with it than there has been to cure the situation and get the matter straightened out. I wish that we could persuade the Committee on Agriculture to go into it on the basis of what is needed and on a constructive basis so that we might make some approach toward getting out of the difficulties that we have gotten the farmers into.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I take the floor at this time to comment on a statement in the report regarding the President's Commission to find new industrial uses for surplus farm commodities. I shall not attempt to read the entire report except to say that this section of the Commission's report was written by a couple of gentlemen who were lent to the Commission by the great oil-producing industry and of course they gave a bad report on the use of grain alcohol mixed in motor fuel. It is my opinion—and I form my opinion from good authority—that this report on that item is 100 percent erroneous.

The congress of Brazil before World War II passed a law which required that alcohol made from their surplus sugar shall be mixed with gasoline. And that law has proven very beneficial for the Brazilian Government and all the Brazilian people. They use as much as 35 percent sugar alcohol mix in their gasoline. Sao Paulo, Brazil, uses from 15 to 20 percent with complete satisfaction. Senator MUNDT and I introduced a bill during the last session of the Congress and the session before which provided for a 5-percent grain-alcohol mix in our motor fuel. The Brazilian Government says that a 10-percent mix or under does not require any change in the carburetors, and that comes to me on good authority. I was in Brazil last fall. Now, this report says that if we would use a 10-percent alcohol mix in our motor fuels that it would use 2 billion bushels of grain every year, and they make other untrue statements. That is more grain than the Commodity Credit Corporation has in storage today. I differ with them on those figures, even, because actually it would use up about 1.4 billion bushels of grain a year. A 5-percent mix would use up about 700 million bushels of grain a year. The fellows who wrote this report say that a 10-percent mix would use up our surpluses too fast. Now, would it not be just too bad if we could dispose of these price-depressing costly surpluses which have caused the farm problem and in fact our entire national problem. We must remember that every depression we have had in this United States of America has been farm bred and farm fed.

Mr. Chairman, I want to compliment the committee on the bill they have brought out. I think it is a good bill as a whole. I am glad to see the committee make no recommendations for a change in the REA program, because certainly the REA program has gone along in good shape under the present setup and has done a wonderful service to the farmers of America.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I will be glad to.

Mr. H. CARL ANDERSEN. The committee had before it a proposal from the administration to the effect that REA should depend upon, in the latter half of the year, much of its loans on private capital. That would depend, in turn, on a bill being enacted in this session of the Congress which is so far-reaching that there would be no probability whatsoever of the bill being enacted by the Congress. Consequently the committee threw aside the recommendation of the administration to that effect, and instead put in $300 million in loan authorizations for REA. The committee has made a very strong recommendation against the raising of REA interest rates from the present 2 percent level. We feel that the interest rate which REA has enjoyed throughout the years has been beneficial to the rural economy of the Nation. I might say, concerning the gentleman from Iowa, that I have served with the gentleman for about 20 years, and I know of no man in the House during those years who has shown more real interest in the REA program than has BEN JENSEN of Iowa.

Mr. JENSEN. I thank the gentleman very much. I can say as much for him and may I say since the gentleman mentioned it, that I am proud of the fact that I have supported every dime which has been recommended by the Agricultural Subcommittee on Appropriations for the REA and for the entire agriculture program every year since I have been a Member of this body, for certainly farming is yet the greatest free enterprise industry in our blessed land.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield further?

Mr. JENSEN. I yield to the gentleman.

Mr. H. CARL ANDERSEN. Mr. Chairman, I can attest to that. I have never known a time when the gentleman has not supported the full amount as brought in by the Subcommittee on Appropriations for Agriculture.

Mr. JENSEN. I thank the gentleman.

Mr. Chairman, again I say that this committee has a most difficult problem and duty to perform. In my opinion, no committee, regardless who comprises the membership, could do a better job than this committee has done through the years.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, first of all I desire to compliment the committee on drawing up a bill that I think is a good bill considering especially the complications confronting them. I wish to thank them for raising the appropriation for utilization research under Public Law 480 in an amount of about $2.3 million; also for the fact that they have raised the utilization research appropriation locally $2.3 million.

Personally I feel that utilization research is one of the best ways to unfreeze our farm surpluses and get them into industrial uses. At the present time only 7 percent of them go into industrial uses. Many more times that much could go into industrial uses. We could use our animal fats in plastics. We could use them in detergents and in so many things with a little more research. We could use our grain alcohol from corn and wheat, especially this corn that is wet that is bringing only about 68 cents a bushel; we could use that for alcohol and for the manufacture of rubber and for defense purposes. All those matters could be stepped up through an increase in appropriations.

Personally I should like to have seen the committee follow the budget recommendation and go $2.5 million stronger for utilization research. I believe it would have been the best investment the committee could have made.

I notice in the committee report on page 3 that the farmers' share of the consumer's dollar has gone down from 47 percent in 1952 to only 40 percent in 1957. I believe that is a problem that should be given immediate attention and I am glad the committee inserted this table.

I should like to ask why the committee then turned around and took $100,000 out of marketing research, where they enforce regulations against unfair trade practices which increase costs to the consumer. We have food chains that are crawling over under the USDA jurisdiction because they have a packing plant when the Federal Trade Commission breathes down their neck. By going over to the USDA they pretty much escape prosecution, because the USDA has not filed 1 cease-and-desist order in 19 years. Now we are cutting the USDA budget for enforcement. This reduces, not increases, the farmers' chances to receive more than 40 percent of the consumers' dollar.

If we want to reduce the spread between what the farmer gets and what the consumer pays, and cut down living costs, we should give more money instead of less to do the Marketing Service which has to do with this enforcement of unfair trade practices. The Marketing Service has not enough money even to post their stockyards yet, let alone supervise them.

In the third place, I appreciate the statement of the chairman of the committee in which he implies at least that the USDA might continue to supervise the new compulsory poultry inspection under the Marketing Service of the USDA. If that is the case, we will be very happy. I hope that this position will maintain because I do not believe that hearings have been held with the poultry people, the turkey raisers and processors, or the Department of Agriculture on this sudden switch, which might be interpreted to mean that the red meats or the research division, has supervision of the inspection of poultry. If that were the case it would be really a calamity, because the poultry people were united in wanting this compulsory inspection because the voluntary inspection program under the Marketing Service of USDA had proved so satisfactory.

The discussion that has just taken place on the floor, leads me to believe that the "broad powers" of USDA mentioned by the committee chairman include the power to continue poultry inspection under the Marketing Service. I oppose any shift of supervision of poultry inspection for reasons as follows:

I. THE POULTRY INDUSTRY DEMANDS THAT THE INSPECTION REMAIN WITH THE AGRICULTURAL MARKETING SERVICE

Major farm organizations, and especially the processors and growers, are

upset and shocked because no hearings have been held nor testimonies given on transferring this service from the Marketing Service to the Agricultural Research Service. If hearings were held, I am sure there would be a storm of protests against the transfer.

Joseph O. Parker, legislative counsel of the Grange, stated in his testimony March 8, 1957:

> The voluntary poultry inspection program administered by the Agricultural Marketing Service in the Department of Agriculture is manned by highly trained competent personnel with long experience in poultry. This record of poultry inspection experience and achievement which has been built up over the last quarter of a century is unequaled.

You will see from his testimony that the effectiveness of the voluntary inspection under the Agricultural Marketing Service was the chief reason why the Grange wanted the compulsory inspection under the same Service.

J. O. Kumpe, member of the board of directors and past president of the Southwestern Poultry Association, testified:

> We favor compulsory inspection for wholesomeness of all poultry products, under the present Inspection and Grading Division of the Poultry Branch, Agricultural Marketing Service, USDA.

Matt Triggs, assistant legislative director of the American Farm Bureau Federation, when asked if he wanted the inspection under the Department of Agriculture as at present said:

> By all means. * * * They (our members) have been satisfied with the voluntary inspection and its administration.

Reuben Johnson, assistant coordinator of legislative services for the National Farmers Union, said in his testimony March 6, 1957:

> It seems largely the result of growing sentiment in this committee and in Congress for a poultry inspection law that the great majority of poultry processors now embrace the principle of mandatory Federal poultry inspection. We note that the Department of Agriculture has again this year spoken strongly for such a law.

Charles D. Hawks, general manager of the Arkansas Poultry Federation, in testifying for compulsory inspection by the Department of Agriculture said:

> We are confident that the Secretary of Agriculture will utilize existing facilities with the same confidence our poultry industry has placed in them.

Herbert Beyers, Norbest Turkey Growers Association; Ralph Blackham, president, Utah Poultry Council; H. M. Blackhurst, general manager, Utah Poultry Farmers Cooperative; Eldon Westenskow, president, Utah Turkey Federation, have all wired me strongly in protest of transferring poultry inspection to the Agriculture Research Service.

II. THIS SUGGESTED CHANGE IS SUDDEN AND DISRUPTIVE

The change came like a bolt out of the blue. While there was a suggestion at the hearing before the House Agricultural Committee that inspection should be placed under the Pure Food and Drug Act, there was not the slightest intimation in all the testimony I heard that it should be transferred to the Agriculture Research Service.

In testifying before the Senate committee yesterday, Secretary Benson said that while he took no firm position against the transfer, he did think that inasmuch as his Department of Marketing Service was now making the transfer from voluntary to compulsory inspection and would have to add 440 new plants by January 1, 1959, for the present at least, the inspection should be left where it is—with the Agricultural Marketing Service. The Department under the Reorganization Act already has the authority to take the transfer if and when that is advisable.

One high-ranking member of the Department told me that the Department already is enough involved and has enough "hay down" without having directives of this type added to their burdens.

III. COMPETITION BETWEEN RED MEATS AND POULTRY MAKE THE TRANSFER INADVISABLE

The poultry industry now ranks third in size among the branches of agriculture in production. Turkey consumption per individual has tripled since 1940 and the consumption of broilers and chickens has doubled.

This growing importance of poultry with its competition with red meats would justify an inspection service by itself. Poultry raisers in their alarm tell me that the poultry inspection could be made a stepchild of the red meat industry, which, according to the testimony of our own Agricultural Appropriations Subcommittee chairman, the gentleman from Mississippi [Mr. WHITTEN], has a terrific, powerful lobby. Our producers say that the power of the lobby could grind their processors under its heel and absolutely ruin their industry.

IV. THE AMOUNT OF MONEY TO BE SAVED IS QUESTIONABLE

The Agricultural Marketing Service already uses the meat inspection branch inspectors in 60 plants. They are cross-using inspectors as far as possible and wherever it can be done. Their inspectors are now overworked and going at full speed ahead; in fact, they need many more people than they have.

In summary, then, I appeal to our great Committee on Appropriations to give thoughtful consideration in conference that they favor leaving the administration of compulsory inspection of poultry where it is, namely, in the Agricultural Marketing Service, for the present at least.

My reasons are: First, the poultry industry demands that the inspection remain with the Agricultural Marketing Service.

Second, the change is sudden and disruptive.

Third, competition between red meats and poultry make the transfer inadvisable.

Fourth, the amount of money to be saved is questionable.

Fifth, the disruptive change is unjustified at this time when 450 plants are ready to go under compulsory inspection between May and June and over 800 must all be under Federal compulsory inspection by January 1, 1959.

In my opinion, it would be far better to let the Department work out its problem than to bring about further confusion by forcing a sudden, disruptive change upon it.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Idaho [Mr. BUDGE].

Mr. BUDGE. Mr. Chairman, the Committee on Appropriations in its report on this measure and in the hearings has failed to give credit to the President for his constructive proposals for the future financing of the rural electrification program.

The President in his budget message spoke of the growing capacity and heavier transmission and distribution facility needs and said:

> It would be in the public interest to broaden the sources of capital from which the REA system may obtain the financing necessary for continued growth and adequate services to consumers.

The President was prompted to make these recommendations because of the changing characteristics of rural areas; the large amounts of new capital that will be needed by the system to meet the future electric and telephone requirements; the growing internal soundness of borrower operations; and the demands on the Federal Treasury for national security and defense requirements.

The administration has proposed legislation that will make it possible for REA borrowers to obtain credit from private sources as well as directly from the Federal Government. It is essential that the credit base for the rural electric and telephone system 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 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 made it imperative 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. The characteristics of rural areas have changed substantially through the development of industries, commerce, and other nonfarm activities. Among new users—100,000 annually—of power from REA-financed electric system, nonfarm users now outnumber farm users nearly 3 to 1.

The President's proposal in the budget message and the proposed legislation provide the mechanism for meeting realistically the very substantially increasing needs of REA borrowers. It is not proposed to discontinue the use of Federal loan funds. The 1959 budget proposed a new appropriation of $150 million for the electric program plus carryover balances. Nothing is being taken away from the system. The proposal is to broaden

the sources of funds for the system that are financially able to use private funds advantageously.

The rural electric cooperatives have made marked improvement in their aggregate net worth and margin of operating income. Four years ago the electric borrowers had a net worth of $161 million or 8 percent of their total assets. Since then their net worth has more than doubled to $373 million which amounts to 13½ percent of the aggregate assets of these systems. They have made advance payments of $117 million. With this splendid record, does any Member of the House think that the chairman's prediction of foreclosure or enormous losses has the faintest possibility of coming true. He has set up a straw man to tilt at.

The systems are being well managed and will continue to be well maintained. A large percentage have made extensive improvements and enlarged their capacity substantially during recent years to meet a much heavier demand. The $600 million of undisbursed loan commitments which is now available to particular electric systems and the $160 million to telephone borrowers to complete approved construction plans will greatly improve the capacity to serve future power requirements and put the systems in a still stronger financial position.

The wholesale cost of power purchased by the rural electric systems dropped in the year 1957 to its lowest level—7.1 mills a kilowatt-hour on the average. This, plus increased use, brought a drop in the average retail rate paid by farm and residential users to an alltime low of 2.75 cents a kilowatt-hour.

The rural electric cooperatives have grown until they are now in the strongest financial and service position in their history. Carrying out the plans of the President for future financing will not disturb the outstanding loans made at the statutory rate of 2 percent interest which usually are amortized over a 35-year period. Neither will it disturb the 2 percent interest rate for the undisbursed loan commitments amounting to about $740 million.

The President has submitted to Congress a plan whereby the very substantial financial needs of the rural electric borrowers can be met. Most of the cooperatives are in a strong position, they will continue to have the benefit of the present loan rate of 2 percent interest on approximately $3½ billion of loans plus additional appropriations for the rural electric and telephone programs. Only a small amount of investment capital would be needed for the coming year.

If the committee had carried out the President's recommendations it would result in easing the load on the Federal Treasury at a time when the demands for security and defense are very large. The REA borrowers are patriotic citizens and want to carry their full share of the load of national security.

Mr. Chairman, here is an opportunity to provide for all the needs of REA borrowers and at the same time help the Treasury carry the load of national security. I hope that the other body when it considers this appropriation measure will give careful consideration to the President's recommendations.

Total energy sales by REA borrower systems in 1957 exceeded 19 billion kilowatt-hours. Sales are increasing about 10 percent annually. Nonfarm consumers now use a little more than half of this total energy.

Mr. WHITTEN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Missouri [Mrs. SULLIVAN].

FUNDS FOR MEAT AND POULTRY INSPECTION

Mrs. SULLIVAN. Mr. Chairman, I am both gratified and disappointed by the section on meat and poultry inspection in the Department of Agriculture appropriations bill now before us.

I am gratified that the committee directed the Department to consolidate its meat and poultry inspection program. This is a step which I have urged for 3 years. During both the 84th and 85th Congress, when poultry inspection legislation was being considered, I introduced bills which would have combined meat and poultry inspection.

I am therefore pleased that my judgment has been confirmed by the committee's action. I believe that the new flexibility which the committee's order will permit will benefit both inspection programs. This will be a boon to Americans both as consumers and taxpayers. I commend the distinguished chairman of the Agriculture Appropriations Subcommittee and the members for this action.

At the same time I am disappointed by the amount which has been appropriated for meat and poultry inspection. A total of $24,326,000 has been authorized in the bill. Of this a maximum of $17,826,000 may be used for meat inspection. The remaining $6,500,000 is earmarked for poultry inspection. Of the funds for poultry inspection, only $4,890,000 is in a new appropriation, since $1,610,000 is left over from the current year.

I strongly fear that neither the appropriation for meat inspection nor the one for poultry inspection is sufficient. Testimony before the committee clearly demonstrated a total inspection need for $26,202,184. This would provide $19,202,184 for meat inspection and $7 million for poultry inspection.

BUDGET REQUESTS MUCH TOO LOW

Mr. Chairman, I want to emphasize that although I consider the amounts recommended for the inspection programs by this bill to be inadequate, I do not criticize the members of the Agriculture Appropriations Subcommittee, or of the Appropriations Committee, for this situation. They have recommended exactly the total amount for the two programs which the Administration has requested.

The fault is clearly that of the Administration. It has followed a penny-pinching and dollar-foolish policy. It has not considered the needs of the consumers or the smaller packing plants or the overworked inspectors. Had the Administration requested sufficient funds, I am certain that the Subcommittee would have appropriated more money.

Apparently, there is now some hope that the Administration, and even the Department of Agriculture, will stumble on the right path. I understand that during his appearance before the Senate Agriculture Appropriations Subcommittee yesterday, Secretary of Agriculture Benson declared that he is requesting a supplemental appropriation for the two inspection programs. Apparently he now concedes the inadequacy of the budget for these programs.

I urge that the Agriculture Appropriation Subcommittee accept this admission of error by the Administration and give quick and sympathetic consideration to a new request for supplemental appropriations.

That these additional funds are desperately needed is beyond dispute. According to testimony before the subcommittee, the number of meat plants needing inspection has gone up 55 percent in the past 15 years, but the number of inspectors available has gone down 6 percent during the same period.

INSUFFICIENT FUNDS SLOWING DOWN PRODUCTION

Slowdowns in meat production have occurred both this year and in 1957 because of the inadequate number of meat inspectors available. In February, for instance, slaughtering was severely cut for a week in a Cleveland, Ohio, plant because two inspectors were needed to supervise slaughtering, but only one could be supplied.

These slowdowns are a danger to consumers and a serious threat to our already depressed economy. Consumers can expect to pay higher prices for meat and perhaps suffer from inadequate inspection if the shortage of inspectors continues. And our economy simply cannot stand the added unemployment caused by slowdowns in meat production.

The meat inspection program clearly needs another 412 inspectors. This, as I understand it, is the minimum requirement to meet the inspector shortage which has been snowballing for years.

Although I do not criticize or blame the Committee for its recommendation, I had planned to offer an amendment to increase the funds for these two consumer-protective programs. I am happy to say that the announcement by the Secretary of a new request for supplemental appropriations makes such a step unnecessary.

Instead, Mr. Chairman, I will just repeat my hope and expectation that the members of the subcommittee will soon have before them the supplemental request Secretary Benson referred to yesterday and that they will process it speedily. I urge this on behalf of the consumer, of the smaller packing plants which are affected by lack of sufficient inspection personnel, and of the terribly overworked employees of the Department of Agriculture engaged in this important inspection work.

TESTIMONY BEFORE SUBCOMMITTEE

Mr. Chairman, I went into this matter in some detail in my appearance before the subcommitee on March 10 when this item was being considered, and men-

tioned particularly the circumstances under which some of the inspectors are now required to work.

I sincerely think the information which I was able to obtain for presentation to the subcommittee in the hearings will be of general interest to the Members and to everyone who reads this debate in the RECORD who is concerned about the problem, and so I now include as part of my remarks my previous testimony before the subcommittee, as follows:

FUNDS FOR MEAT INSPECTION SERVICE

(Statement of Congresswoman LEONOR K. SULLIVAN, Democrat, of Missouri, before House Appropriations Subcommittee on Agriculture, March 10, 1958)

One of the most effective activities of the Department of Agriculture in protecting the health of the American people is the meat inspection work performed in the Agricultural Research Service. We require by law that all of the red meats shipped in interstate commerce must be inspected and approved by this agency for wholesomeness and this means the inspection of more than 100 million meat animals a year, and the inspection of nearly 18 billion pounds of processed meat and meat-food products.

The law is very clear: it says that this meat must be examined and approved before it can be sold in interstate commerce. The packer who wants to sell in interstate commerce has no choice in the matter; he must obtain the required inspection and, in order to do so, he must comply with all the regulations and requirements of the inspection service having to do with sanitation and the physical condition of his plant.

Last year a substantial increase was requested by the Department of Agriculture for meat-inspection work, but the Congress appropriated an amount about the same as that provided the previous year. As a result, although the work of the Meat Inspection Branch increased substantially, its funds did not keep pace. Consequently, the inspectors have been overworked and the quality of the service performed inevitably has suffered.

BUDGET REQUEST FAR TOO MODEST

The budget for the coming fiscal year calls for an increase in funds for meat-inspection work over the amount provided for the current fiscal year, but the suggested increase is only $500,000, making the total $17,326,000.

Despite the proved need for more inspectors—for a whole lot more—I am disappointed that the President is asking for the coming year for substantially less than the $18,718,000 he asked for last year. I am convinced that the budget amount is not enough and that even last year's budget proposal would not be enough now.

It is my information that the additional $500,000 requested over current operating levels would permit the employment of only about 85 or 86 additional persons in actual inspection work, mostly in the $5,440 to $6,250 salary range. This would not begin to solve the problems of the division in meeting demands upon it for inspection without grossly overworking their employees.

Recently, some of the smaller meat-packing firms in the St. Louis area advised me they were encountering periodic and very expensive delays in their production lines because of the shortage of United States meat inspectors. I understand this is pretty general throughout the packing industry.

If a small plant, with a single inspector, is not running into this difficulty it is for only one reason—that inspector is working himself to death. I have some convincing information on that score and I'd like to tell you about it.

INSPECTORS TERRIBLY OVERWORKED

The wife of a meat inspector, a veterinarian, in one small midwestern plant wrote me last year of the intolerable conditions under which her husband has had to operate because he has absolutely no assistance, either from professional or lay people. He is entirely on his own in this plant which kills up to 800 hogs daily. That man is on a merry-go-round all day long, with no time even to catch his breath.

He does his ante-mortem inspection an hour before the kill begins. He is on the inspection line for 8 or 9 hours. If he does any additional ante-mortem inspection during the day, the production line must stop. During his 10-minute breaks twice a day and his 30-minute lunch-time period he has no chance to rest or eat for he is engaged in checking plant sanitation, the tanks, and so on.

When I heard about this case I wrote to the Administrator of the Agricultural Research Service to ask just how widespread this sort of practice was. Instead of telling me that this situation as described to me was farfetched or exaggerated, the Acting Administrator of the Agricultural Research Service, M. R. Clarkson, informed me:

"The conditions described in your example of the single inspector assigned to a small plant where slaughter operations are conducted illustrate one of the most difficult situations with which we are confronted in attempting to provide the kind of inspection service that is needed. In order for the one inspector to provide the essential service, such as you outlined in your letter, it is necessary for him to hold up operations on the killing floor while making ante-mortem inspection and giving necessary supervision to other operations.

"At larger plants it is possible for a given inspection force to adjust to meet variations in volume of kill within a fairly wide range. It is much more difficult, however, to adjust to meet the increased workload that results from an increase in the number of plants requiring inspection."

DEMANDS FOR INSPECTION SERVICE INCREASING

As this subcommittee no doubt knows, demands upon the Agricultural Research Service for meat inspection reached a new high as of December 31, 1957, with 1,270 establishments in 506 cities.

I might point out, in view of my exchange of correspondence with the Administrator's Office which I cited previously, that in nearly 200 of these establishments the inspection work is carried by a single inspector. Hence in nearly 200 cases conditions would approximate those of the case I cited where the inspector is overworked to such an alarming extent.

The President's own budget document bears this out. On page 308 of the budget, in the discussion on this item of meat inspection, it says this:

"The increase requested for 1959"—that is, the extra $500,000 I mentioned—"would provide inspectors needed for existing meat-packing plants and new plants in additional locations, and"—now please observe how the rest of it is stated—"and would make possible some reduction in excessively long and burdensome tours of duty of meat inspectors."

In other words, if we approve the budget amount, we are not going to solve the problem of excessive overwork of these inspectors, we are just going to reduce some of the excessive overwork.

Aren't we a rich enough Nation that we can afford to provide decent working conditions for Federal employees, instead of forcing them to carry an excessive workload day in and day out? I am sure we can afford to provide reasonable workloads for these inspectors, not work them to death. It is unfair—it is disgraceful.

In addition to being unfair to the inspectors involved, it is not fair to the packers or to the public either, because there is always the danger under these conditions of work that filthy or contaminated or diseased meat might slip by.

DANGER OF UNFIT MEAT SLIPPING THROUGH

The record shows that more than 300,000 animals are condemned by the meat inspectors each year. This might be a small proportion of the total tonnage examined, but it certainly represents a large quantity of meat. I wouldn't want to buy any of it and I am sure none of you would want it in your own home.

I know that the members of this subcommittee are just as anxious as I am to assure the unquestionably high quality of the meat which passes through the meat-inspection division to the grocery stores and meat markets and to our dinner tables. I think a mistake was made last year in not providing an increase in funds sufficient to reflect the increase in work of the meat-inspection division as new plants have come in under the program.

The time has come now that we must face up to the added expense, of providing, in fact, the kind of meat-inspection service required by law—or else, perhaps, amend the law and deliberately take a chance on some of this unfit meat getting through. I am sure no one would seriously propose that alternative, however.

Therefore, I urge that in the forthcoming appropriation bill for the Department of Agriculture you recommend for meat inspection work not the budget amount of $17,326,000 but rather $19,202,184—a figure which I am informed represents the best judgment of all of the major groups directly engaged in meat production.

I think it is really amazing when you can get the Grange, the Farmers' Union, the American Meat Institute, the Cattlemen's Association, the Meat Cutters' Union, and other groups that went along on this matter to agree on anything. I assume you have seen their joint letter on this matter, urging the $19,202,184 figure as necessary to meet present needs.

I received that letter after I had already decided to come in here and ask for an increase over the budget, and I am frank to say that I am taking and using their figure because I think they have a good basis on which to make a reasonable estimate.

But long before I had decided what figure to suggest to you, I had decided I was going to make this statement—and had, in fact, drafted it except for a figure. I had made that decision after my personal investigation into this matter resulting in the exchange of correspondence with the Agricultural Research Service which I mentioned a few minutes ago.

I would appreciate it if you would include here as part of my statement my letter of January 8 to Mr. Byron T. Shaw, Administrator of the Agricultural Research Service, and the reply which I received, dated January 28, from Acting Administrator, M. R. Clarkson.

This exchange of correspondence follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., January 8, 1958.

Mr. BYRON T. SHAW,
Administrator, Agricultural Research Service, Department of Agriculture, Washington, D. C.

DEAR MR. SHAW: As a result of my efforts in behalf of more effective meat-inspection programs, I have been hearing more and more frequently from people engaged in this work on the Federal, State, and local levels and, of course, what these complaints usually come down to is the old, old problem of insufficient funds for proper enforcement work. I know the meat inspection branch,

for instance, is working under handicaps right now for that same reason.

Recently, however, I was advised of one case where an inspector assigned to a comparatively small plant was forced to work completely on his own, with no professional or lay assistant, and I wonder how widespread this practice is.

As this particular case was described to me: "With just one veterinary inspector and no lay help, the ante mortem starts 1 hour before the kill begins. Then there is 8 or 9 hours of inspection work on the line itself. On the line means just that, with no spell outs, no sitting down at any time, no rest period. This means the inspector cannot check the loading operations, or do any ante mortem on new hogs that come in all during the day. Just suppose an anthrax hog were to be sent down the line and not caught until it reached the inspector on the line. The 10-minute breaks twice daily and the 30-minute lunch time are used to hurriedly check a thousand and one things that must be seen to, such as the tanks. Discounting the fact that it is just too much work for one man, we still have the fact that it is physically impossible for him to be in more than one place at the same time. The plant is not getting the inspection service it should be able to expect. I don't know how many plants there are where this problem exists, but I do know that we are rather desperate about it here."

I would very much appreciate your comments on these points, with particular reference to how widespread this kind of workload is. Does the budget prevent your correcting this matter or is it lack of trained personnel? If the budget is the main factor, are you asking for a supplemental appropriation? Does the new budget provide sufficient funds to prevent this kind of overload on your inspectors?

I hope you realize, my interest in this is to try to help correct what appears to me from this case I cited to be a terribly bad situation, both for your inspectors and also for the public.

With best wishes, I am,

Sincerely yours,

LEONOR K. (Mrs. JOHN B.) SULLIVAN,
Member of Congress, Third District, Missouri.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
AGRICULTURAL RESEARCH SERVICE,
Washington, D. C., January 28, 1958.

Hon. LEONOR K. SULLIVAN,
House of Representatives.

DEAR CONGRESSWOMAN SULLIVAN: Thank you for your interest and concern in behalf of a more effective Federal meat-inspection program as expressed to us in your letter of January 8.

As of December 31, 1957, demands for inspection reached a new high, with our Meat Inspection Division serving 1,270 establishments in 506 cities and towns. This is an increase of almost 20 percent, when compared with the number of establishments serviced as of June 1954. Of this number there are approximately 193 meatpacking plants where slaughtering is performed, and only 1 inspector is assigned.

The conditions described in your example of the single inspector assigned to a small plant where slaughter operations are conducted illustrate one of the most difficult situations with which we are confronted in attempting to provide the kind of inspection service that is needed. In order for the one inspector to provide the essential service, such as you outlined in your letter, it is necessary for him to hold up operations on the killing floor while making ante mortem inspection and giving necessary supervision to other operations.

At larger plants it is possible for a given inspection force to adjust to meet variations in volume of kill within a fairly wide range. It is much more difficult, however, to adjust to meet the increased workload that results from an increase in the number of plants requiring inspection. Only by the skilled application of the best principles of personnel utilization is it possible to meet our growing obligations to the public, and, of course, our obligations to the inspectors.

The 1959 budget estimates include an increase of $500,000 to help meet the increased workload in meat inspection.

We appreciate the interest you have shown in this matter. You may be assured that we are making every effort to carry out as effectively as possible our responsibilities under the Meat Inspection Act. We could not operate as effectively as we do without the fine spirit of cooperation and devotion to duty of our inspection force.

Sincerely yours,

M. R. CLARKSON,
Acting Administrator.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. TRIMBLE].

Mr. TRIMBLE. Mr. Chairman, I am disturbed by the action putting all meat and poultry inspection in the same fund. Legislation was passed last year allowing the poultry industry to have an inspection service of its own, as distinguished from the so-called red-meat industry. My fear is that those skilled in inspection of red meats will not be completely equipped to properly inspect the poultry industry. The same would apply to those skilled in the poultry inspection service were they required to inspect in the red-meat area. Poultry has developed into one of the major farm industries of our country. I hope when the bill goes to conference the language can be classified to more clearly indicate protections which the poultry industry now fears is not clear in this bill.

I wish to express my appreciation to the committee for the overall great job which they have done on this bill.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Chairman, many people of the east Texas area are quite concerned with the provision in this bill, H. R. 11767, which deals with meat inspection, as has been evidenced by the questions which have been asked today and the comments which have been made.

People who look to the land for a living in east Texas—a family-size farming area—have been having considerable financial difficulty for a number of years. In my home county of Upshur, the number of cotton allotments in 1950 was 1,577; in 1955, the number was 594. Some of the cotton allotment figures pertaining to other counties in east Texas follow:

	Allotments
Wood:	
1950	1,904
1955	752
Smith:	
1950	2,695
1955	1,467
Shelby:	
1950	2,482
1955	1,344
Rusk:	
1950	2,967
1955	1,816
Panola:	
1950	1,969
1955	1,242
Gregg:	
1950	417
1955	241
Van Zandt:	
1950	2,601
1955	1,752
Camp:	
1950	1,094
1955	403

It is obvious the number of cotton allotments has greatly decreased. The same thing is true in another one of our price-supported crops, namely, peanuts. When many of our people were compelled to give up the growing of cotton and peanuts, they began businesses of growing broilers. As a result of much effort and hard work, at times this business has progressed in a rather satisfactory manner.

Last fall when I was at home, I visited all of the counties in our area and frequently found there was considerable worry because of the low price of broilers. When I returned to Washington, I immediately reported that which I had found to the United States Department of Agriculture, January 6, 1958.

When the poultry inspection bill was passed, according to my information, it was the understanding of the broiler people that their operations would be inspected by a setup not tied in with the red-meat inspection division of the Department of Agriculture. In the last few days much concern has been expressed to me by people interested in the welfare of the broiler industry in connection with the possibility that the broiler industry under the language of the present agricultural appropriations bill, will become a part of the red-meat inspection division of the United States Agriculture Department. Our people do not want this, I am told. They prefer that poultry be in a class of inspection to itself. It is my hope that the statements concerning poultry inspection made by the chairman of the subcommittee today will clarify the position of the Appropriations Committee so that the position of the Appropriations Committee will be in harmony with the House Committee on Agriculture and the Poultry Subcommittee of that committee of which the gentleman from Kentucky, Representative WATTS, was and is the chairman—the very subcommittee that wrote the Poultry Inspection Act.

It is very necessary to our area that the poultry industry be prosperous. Money has been loaned to this industry by local banks and credit has been extended to this industry by local businesses. I thrust the Agricultural Subcommittee of the Appropriations Committee will make every effort to be sure that the poultry industry is not placed at a disadvantage with any other meat industry.

I include at this point a letter written to me by Mr. Don Paarlberg, of the United States Department of Agriculture, January 28, 1958:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 21, 1958.

Hon. LINDLEY BECKWORTH,
House of Representatives.

DEAR CONGRESSMAN BECKWORTH: The broiler industry, about which you inquire in your letter of January 6, has increased output for the United States as a whole severalfold, just in the last decade. The increase

has been so rapid that even with record consumer incomes, prices have declined to relatively low levels. In view of the large supplies of feeds at relatively low prices and the institutional nature of the broiler industry, our analysts foresee little likelihood of any increase in average broiler prices for 1958, as compared with the past 2 years.

In the past decade or so, the broiler industry has adopted several novel techniques for conducting business among the different functional agencies involved. A number of these are described in an enclosed publication, A Summary of Selected Recent Studies on Broiler Financing and Contracting. Moreover, as you are aware, tremendous improvements have been made in poultry feeds so that the quantity of feed required per pound of gain has been substantially reduced. These two developments, under way simultaneously, account for the continued expansion in broiler output, despite prices which seem relatively low by earlier standards.

Under the very highly competitive conditions which now prevail in the broiler industry, the price of broilers is not likely to show the margin above costs per pound that has been shown in some earlier years. The average scale of broiler-producing operations now, of course, is much above that of the past.

The prevailing situation and 1958 outlook for broilers is discussed in some detail in the Poultry and Egg Situation issued last November. A copy is enclosed. In this report, as well as in the above paragraphs, the discussion is presented mostly in terms of United States averages and totals. Unfortunately, we do not have detailed data for parts of States. However, prices move more or less similarly in all of the commercial broiler areas of the United States.

Sincerely yours,

DON PAARLBERG.

Mr. WHITTEN. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture of the Appropriations Committee again brings to the floor of the House for your approval the annual appropriation bill for the Department of Agriculture.

It is an honor to be a member of the Subcommittee on Agricultural Appropriations and to serve with our able chairman, the distinguished gentleman from Mississippi [Mr. WHITTEN]. It is a pleasure serving with the other members of this subcommittee.

We are fortunate to have as our executive secretary, Ross P. Pope.

BUDGET FOR FISCAL YEAR 1959

The budget for fiscal year 1959 calls for expenditures totaling some $73,900,000,000. The requests of the Department of Agriculture and related agencies represent 6.7 percent of the entire budget for fiscal year 1959. After deducting loan authorizations and restoration of capital impairment for the Commodity Credit Corporation, we find that Agriculture receives only some 4.8 percent.

We know full well that annual appropriations for Agriculture certainly do not solve all problems confronting our farmers today. In order to be successful we must permit our farmers to farm.

REGULAR ACTIVITIES

This bill provides an annual appropriation of $1,456,588,653 for regular activities of the Department of Agriculture. This is $152,390,195 less than the $1,608,978,848 approved for fiscal year 1958. We recommend $1,760,399,886 for corporations. This particular amount is to restore capital impairment of the Commodity Credit Corporation through June 30, 1957, under price support and related activities. Of this amount only $739,606,640 represents losses on commodities handled and the balance of $1,020,793,246 is for storage, handling, transportation, administration and interest costs paid to individuals and companies other than agricultural producers. For research we recommend $58,444,890. This is $650,000 more than the amount appropriated for fiscal year 1958. For plant and animal disease and pest control we suggest a total appropriation of $41,732,000; for meat inspection $24,326,000. We recommend appropriations for State experiment stations totaling $30,603,708, with this being the same amount appropriated for 1958.

For marketing research and agriculture estimates we recommend an appropriation of $14,095,000. For Marketing Service we recommend $14,097,000. For our school-lunch program we recommend $100 million which is the same amount appropriated for 1958 and in addition to this amount our bill contains language transferring $55 million to this appropriation from section 32 funds for purchase and distribution of additional agriculture commodities for school-lunch use. We recommend $580 million for the Soil Bank programs, with $250 million of this amount going to the conservation reserve, and $330 million to the acreage reserve portion of the Soil Bank. The acreage reserve section, of course, expires at the close of the year 1958. We recommend an appropriation totaling $128,615,000 for Soil Conservation Service. This is an increase of $7 million over the amount appropriated for fiscal year 1958. We recommend $50,715,000 for payments to the States and Hawaii, Alaska, and Puerto Rico for our Extension Service. This amount added to the $5,479,375 set up for retirement costs for extension agents, $1,868,480 for penalty mail and $2,096,540 for Federal Extension Service makes a total of $60,159,395 for our Extension Service. We recommend $235 million for our Agricultural Conservation Program Service and the proposal from the Bureau of the Budget reducing the advance 1959 program authorization from the $250 million level which has been in effect since the year 1955 to $125 million for the coming year was refused. Our committee has restored the full $250 million program for 1959 and we recommend approval of this action by the Members of the House.

In our Second Supplemental Appropriation Act of 1958 amounts totaling $1,745,631,868 were approved for special activities.

LOAN AUTHORIZATION

We recommend loan authorizations totaling $569,500,000 for the Rural Electrification Administration and Farmers Home Administration. This is an increase of $121 million over the 1958 authorizations.

PROBLEMS CONFRONTING AGRICULTURE

Agriculture must be viewed in the terms of the entire national economy and especially in relation to the other major segments such as labor, business, and industry.

The net income of the farmer today is approximately $11½ billion, and farm mortgage debt outstanding on January 1, 1958, amounted to $10,600,000,000. Agriculture is undergoing a cost-price squeeze, and every effort should be made to see that the interest of our farmers is fully protected.

Agriculture generally will become more important as our population increases. In the continental United States we have 1,009,000,000 acres of land. Of this amount 409 million is in cropland; 700 million in nonforested pasture and grassland; 606 million in forest and woodland; and 189 million acres in desert or devoted to towns, cities, and other restricted nonagriculture uses. We are blessed with an inheritance of fertile lands. We know that our cropland potential is limited, and before too many years pass, our population increase will overtake and pass the slow expansion of agricultural production today. Growing cities, airport runways and better roads are taking over a million acres or more of cultivatable land each year.

Today 96 percent of our farms are family operations and this is about the same condition that has existed for 25 years. Farms today are 39 percent larger than they were in 1940, and the total investment per farm has increased from $6,100 to $27,000 in 17 years. The investment in machinery is about 8 times as great as it was in 1940 and the number of motor vehicles has increased nearly 3 times during the same period.

NEED FOR RESEARCH, MARKETING, AND UTILIZATION PROGRAMS

Our present-day farm problems are tremendously complex and there is no easy answer. The great scientific revolution taking place today in the field of research must take into consideration agriculture. In order to protect agricultue we must continue our research, marketing and utilization programs.

Our surplus accumulated as the result of underconsumption rather than overproduction. New markets and new uses are now necessary for our agricultural products.

Living as we are today in the atomic age and with the secrets of outer space soon to be common knowledge, legislation should be immediately enacted providing for the setting aside and storage of a large portion of our storable surplus commodities for use in case of emergencies. This action should no longer be delayed.

AGRICULTURE CONSERVATION PROGRAM

Our agriculture conservation program serves 1,258,000 farmers and 1,210,347 farms and ranches. This program has been in existence for over 20 years and has many achievements to its credit. Budget requests sent to our committee authorized $125 million for the Government's share of conservation payments for 1959. This is $125 million less than the amount authorized for 1958. Notwithstanding the great service accomplished by this program and the number participating we are called upon to reduce conservation payments by 50 percent.

Just by way of comparison, the conservation reserve section of the Soil Bank serves less than 100,000 farmers. Here we are requested to appropriate $350 million for fiscal year 1959. This is an increase of $187,060,000 over the amount appropriated for 1958. We certainly could not recommend to this committee that we reduce ACP payments one-half and increase conservation reserve section of the Soil Bank in the amount requested. In Kentucky we only have 688 participants in the conservation reserve program for 1957. Every State participates in the ACP program, but this does not apply to the conservation reserve section of the Soil Bank. Appropriating money for these two particular departments in the amounts requested by the Department of Agriculture is neither sound nor proper at the present time.

We recommend authorization of $250 million for ACP program payments for 1959 and $250 million for conservation reserve for 1959. In addition we recommend $235 million for the regular Agricultural Conservation Program Service.

SOIL CONSERVATION SERVICE

We must continue our soil and water conservation practices. Next to our children, our greatest asset is water.

Conserving our soil and water resources is one of the main problems confronting our Soil Conservation Service. My home State of Kentucky has benefited as much from this service as any State in the Union. In Kentucky we have 122 soil conservation districts and 85,495 farmers participating.

Scientific advancements naturally must depend upon our total physical and economic strength.

It is imperative that we use and conserve our natural resources in the proper manner. The first soil conservation district was organized over 20 years ago. Today over 90 percent of our farms and ranch lands are within the boundaries of self-governing local units. Today we have over 2,770 soil conservation districts operating in every State and Territory of our Nation. This is a splendid example of successful Federal, State, and local cooperation. Among the services rendered by our Soil Conservation Service is technical assistance furnished in soil and water conservation work on individual farms and ranches; assistance to the 11 watersheds authorized for flood prevention work; demonstration of the value of watershed treatment measures on 55 pilot watershed projects; cooperation with local organizations and watershed protection and flood prevention projects as authorized under Public Law 566 and technical aid on soil and water conservation problems in the agricultural conservation program, the Soil Bank, soil and water conservation loan program of the Farmers Home Administration, and rural development programs.

For fiscal year 1959 the Department of Agriculture requested $72,280,000 for conservation operations; $14 million for watershed protection; $13,220,000 for flood prevention; $335,000 for water conservation and utilization projects, and $10 million for the Great Plains conservation program. This makes a total of $109,835,000, and this amount is $11,780,000 less than the amount appropriated for 1958. During the hearings we carefully analyzed the Soil Conservation Service request and clearly indicated our disapproval of the amounts requested. A few days later, on March 12, amendments were received from the Bureau of the Budget increasing watershed protection from $14 million to $24 million and flood prevention from $13,220,000 to $17,220,000. Again we reviewed the Soil Conservation Service requests and we recommended $74,780,000 for conservation operations—an increase of $2,500,000; for watershed protection $25,500,000—an increase of $1,500,000; $18 million for flood prevention; $335,000 for water conservation and utilization projects; and $10 million for the Great Plains conservation program which makes an overall total for Soil Conservation Service of $128,615,000. This is $7 million more than the amount appropriated for 1958.

The increase recommended by this committee will insure sufficient technicians to staff existing districts properly, and provide technical assistance to new districts as they are established.

RURAL ELECTRIFICATION ADMINISTRATION

REA is one of the great achievements of our present-day Government. Today 95 percent of our farmers have electrical service, and there are nearly 5 million consumers in the United States. Every county in my district is served by REA and the first REA loan obtained in Kentucky was obtained by the Henderson-Union Rural Electric Cooperative Corp. We have heard much discussion during the past few months concerning proposed legislation to increase interest rates for REA loans and provisions for private loans in addition to Government loans. There is a place in this country for both private and public power and under no circumstances should we destroy our rural electrification program.

Loan authorizations requested by the Department for 1959 for rural electrification amounted to $150 million and the sum of $56 million was requested for rural telephone service. Our hearings developed the fact that loan authorization requests for fiscal year 1959 would total approximately $300 million and that the request for $150 million was hinged on the fact that legislation would be introduced and passed providing for the balance necessary for REA loans for fiscal year 1959.

Realizing the seriousness of the present situation and keeping in mind that the sure way to destroy REA is to increase interest rates and to make loans more difficult to secure, we recommend loan authorization for Rural Electrification Administration loans for fiscal year 1959 in the sum of $300 million; for rural telephone loans in the sum of $60 million and further recommend a contingency fund of $25 million for each program.

SCHOOL-LUNCH PROGRAM

Ten million eight hundred and thirty-one thousand two hundred and fifty elementary- and secondary-school children participated in the school lunch program in our States and Territories during fiscal year 1957. Fifty-seven thousand five hundred and fifty-five elementary and secondary schools participated. We have 36,656,246 children enrolled in our elementary and secondary schools and the total participation in the school lunch program amounted to 29.5 percent.

In 1957 we had 654,784 children in the elementary and secondary schools in Kentucky and 284,055 participated in the school-lunch program for a percentage of 43.4 percent. The total number participating shows the importance of this program to my home State of Kentucky. We had 1,346 elementary and secondary schools participating. For 1958 we will receive $2,327,207 in Kentucky.

Our school-lunch program has made a vital contribution to the correction of nutritional deficiencies. Every dollar spent in the school-lunch program helps the farmer, the food processor, the vendor, and the child.

Many essential items used in the 1957 school-lunch program such as frozen hamburger meat, frozen turkeys, lard pork and gravy in cans, lunch meat, canned ham, fresh cabbage, and pinto beans are not in the 1958 program. For the present school year only a small amount of fresh cabbage and pinto beans were received. In order to correct this matter we recommend an appropriation of $100 million for the school-lunch program and in addition we recommend authorization of use of section 32 funds totaling $55 million for the school-lunch program.

NEED FOR A SOIL AND WATER CONSERVATION RESEARCH LABORATORY IN KENTUCKY

Soil erosion is a particularly serious problem to a majority of Kentucky's 193,000 farms. The high percentage of sloping lands, the erosive nature of many of the soils, and the character of the rainstorms create an erosion problem which is more serious than is encountered over much of the Nation. Drought, poor drainage, and rapid runoff cause control problems of critical importance in my home State. Kentucky is 1 of only 2 of the larger States in the entire humid region which does not have federally supported cooperative soil and water conservation investigations. A soil and water conservation reseach facility should be established in Kentucky as soon as possible. Such a research laboratory for soil and water conservation in Kentucky could serve the following land resources areas: First, the Cumberland Plateau section of the Alleghenies extending into southern Ohio and southwestern Virginia; second, the Kentucky Bluegrass and Nashville Basin area; third, Highland Rim Knob and associated limestone areas; fourth, western Kentucky, southern Indiana, and the sandstone and shale area. The research needs reports prepared annually by the Soil Conservation Service in Kentucky and adjoining States set forth many common problems. Technicians in these States corporate their recommendations, and research areas which cross State lines use information from all available sources.

EXTENSION SERVICE

Our Federal Extension Service has been in existence for over 43 years. In

order to pass along to our people the results of our research, new achievements in the location of new markets, and additional utilization of our agricultural commodities, we must maintain and strengthen our Extension Service. We recommend the sum of $50,715,000 for payments to the States, Hawaii, Alaska, and Puerto Rico; $5,479,375 for retirement costs for extension agents; $1,868,480 for penalty mail; $2,096,540 for Federal Extension Service. The total amount recommended for Extension Service is $60,159,395.

For 1958 Kentucky received $1,721,368 and will receive the same amount for the fiscal year 1959. Total amount received by Kentucky from Federal funds for Extension Service, Agricultural Marketing Act, Smith-Lever Act as amended, and amount from the State makes a total for use in extension work of $3,113,884.82.

RURAL DEVELOPMENT PROGRAM

The rural development program is proving successful in Kentucky. Butler, Metcalfe and Elliott are the rural development counties. In Butler in the Second Congressional District we have a reawakening of civic pride and a new spirit of cooperation. A more wholesome environment for rural youth is being fostered by the program and this county was the first rural development county in Kentucky to complete its drive to raise funds for a health center.

COUNTY AND HOME DEMONSTRATION AGENTS

County and home demonstration agents are the men and women who are directly responsible for carrying agricultural information to our farm people. Their salaries have never been high, and in my opinion, some are entirely too low today. The average annual salary of county extension agents for the United States is $6,581 and average home demonstration agent's salary is $5,337. The average salary in my home State of Kentucky is $5,714 for county agents and for home demonstration agents is $4,686. Our agents received a slight increase during the past year, but the salaries in Kentucky are still too low.

EXPERIMENT STATIONS

We recommend a total of $30,603,708 for State experiment stations. Kentucky received $803,475.25 in Federal funds for the experiment station at the University of Kentucky during fiscal year 1957 and this amount together with non-Federal funds made a total of $2,072,615.61.

CONCLUSION

Agriculture must prosper if the Nation is to prosper, and the American farmer has the right to demand a standard of living in keeping with the contribution he makes to the national economy. We must permit our farmer to farm if he is to be successful. As a prosperous people it is almost an impossibility to legislate scarcity of any kind.

Mr. Chairman, our committee recommends this bill to the Members of the House.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield.

Mr. NICHOLSON. Why is it that in Rural Electrification this year the appropriation is double what it was before?

Mr. NATCHER. I say to the gentleman from Massachusetts it is for this reason: The Department of Agriculture made a request for $150 million for REA loans for the fiscal year 1959. In testifying before our committee they made it clear that it was hinged on one thing and that was passage of a bill that would provide loans from private interests as well as from the REA. The request that the Department of Agriculture made to the Bureau of the Budget was for over $200 million. One hundred and fifty million dollars was allowed by the Bureau of the Budget, but they realized that it would take at least $150 million more for loans for fiscal year 1959.

Mr. NICHOLSON. Would the gentleman tell us about how much Rural Electrification owes the Federal Government now?

Mr. NATCHER. The total amount is something over $3 billion. I say to the gentleman from Massachusetts that the sure way to destroy REA is to increase interest rates and make loans more difficult to secure. REA has been a true friend of our farmer and it has made his life more enjoyable and also that of his wife and family. Just think of the changes on our farms since 1935. There is a place in this country for both private and public power.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield.

Mr. HORAN. The record should show that it is a very small proportion, a mere fraction of 1 percent of the total amount of the loans that are in arrears. It is a pretty good investment when repayments are in such good order.

Mr. NATCHER. I thank the gentleman for that comment.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield.

Mr. H. CARL ANDERSEN. In response to the gentleman from Massachusetts [Mr. NICHOLSON], it should be pointed out that this is not a direct appropriation but it is a loan authorization, and as the gentleman from Washington [Mr. HORAN] so well stated, practically all of this money will return to the Treasury, plus interest at 2 percent.

Mr. NATCHER. The gentleman is correct and I thank him for his comment.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the gentleman from Utah [Mr. DIXON] may revise and extend the remarks he made recently.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may require to the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made recently in colloquy with the gentleman from Mississippi.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WHITTEN. Mr. Chairman, I yield to the gentleman from Alabama [Mr. ELLIOTT] such time as he may desire.

Mr. ELLIOTT. 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 Alabama?

There was no objection.

Mr. ELLIOTT. Mr. Chairman, I rise in support of H. R. 11767, making appropriations for the Department of Agriculture and the Farm Credit Administration for the next fiscal year.

I find myself in agreement with most of the things the committee has done in this bill. The Subcommittee on Agricultural Appropriations is regarded by and large as one of the most able subcommittees of the entire Congress.

I represent an agricultural area. I don't mind saying that generally I feel at ease about the interests of agriculture in the hands of the chairman, the gentleman from Mississippi [Mr. WHITTEN], and the members of his subcommittee.

I am particularly pleased that the item for watershed protection is fixed at $25.5 million. As I understand it, this amount will provide for continuation of work on the 100 watershed projects now under way and will permit the initiation of 108 new projects during the fiscal year 1959.

I am particularly happy that the committee has restored the full $250 million for the agricultural conservation program. This is a great program. I am glad the committee rejected the suggestion of the Bureau of the Budget that this sum be reduced to $125 million.

I am also happy that the committee recommends the full budget estimate of $6,376,700 for administration of the Federal Crop Insurance Corporation for the year 1959. This program has developed slowly over the past 9 or 10 years, but appears to be sound. It offers to farmers protection from losses caused by unavoidable natural hazards, such as insect damage, plant disease, fire, drought, flood, wind, and other weather conditions.

I am also pleased that the committee has recommended $300 million for electrification loans and $60 million for telephone loans by the REA.

In addition, it has provided for a contingency fund for $25 million for each program, if needed. This action was taken in the face of an administration proposal that $150 million be appropriated for Rural Electrification Administration loans and $56 million for rural telephone loans.

The administration wants the local REA cooperatives to obtain a portion of their loan funds in the next fiscal year, and thereafter, by borrowing from private sources. Under the terms of this proposal, the operating cost of the REA cooperatives would, of course, be increased through a substantial increase in interest rates.

The REA co-ops today own approximately $3.6 billion of assets. The Government, as a result of its REA loans to these co-ops, has a first mortgage on

these assets. As I see it, the administration's proposal would raise the cost of borrowing money and, therefore, the cost of doing business of these REA co-ops, and might very well result in an impairment of the security which the Government now has for the money it has loaned.

The record of REA speaks for itself. It spearheaded the bringing of electric power to rural America. The co-ops have a wonderful repayment record. Actually, the co-ops, taken altogether, are ahead of the repayment schedules set for them. They have been successful. They are successful.

There is another side to this problem, Mr. Chairman. The taxpayers' money has been used to establish the REA program, and build it to its present level of operations. I, for one, feel that the Congress is not authorized to do anything that would impair the security which the taxpayers in effect now hold for their advances to REA.

I am also pleased by the fact that the committee has recommended an increase of $34.5 million over the administration's proposal for the lending programs of the Farmers Home Administration. The amount recommended by the committee includes $24 million for farm ownership and farm housing loans, $180 million for production and subsistence loans for farmers, $5.5 million for soil and water conservation loans.

There is, Mr. Chairman, another item in this bill, about which I have had grave doubts. You will note that on page 3 of the bill there is carried $24,326,000 for meat inspection. The bill specifically reads "for carrying out the provisions of laws relating to Federal inspection of meat, meat-food products, and poultry, $24,326,000." This is under the Agricultural Research Service. The committee report left great doubt in my mind when I read on page 16 that—

> The committee recommends the consolidation of the regular meat inspection service with the new inspection service for poultry and poultry products. * * * The merging of the two services should result in greater efficiency and in additional flexibility needed to meet peak workload periods.

Some of the doubts which I have held about this matter have been resolved by the statement of the gentleman from Mississippi [Mr. WHITTEN], chairman of the subcommittee, which he read into the RECORD. Further clarification has come from the questions propounded by the gentleman from Kentucky [Mr. WATTS] and by the gentleman from Georgia [Mr. LANDRUM] and the answers thereto by the chairman.

I want to make clear many of the poultry people of Alabama are disturbed about this bill. Poultry inspection is now being carried on by the Agricultural Marketing Service. It was understood when we passed the poultry inspection bill last year that its administration would be in the Agricultural Marketing Service. The Agricultural Marketing Service has made detailed preparation for industrywide poultry inspection. It has held meetings over the country to acquaint poultry industry people with inspection and what is required of them. It has issued regulations under which the inspection will be carried on, and processors and others concerned are now familiar with those regulations. Processors are having to spend millions of dollars to adjust their plants for inspection. Many are building entirely new plants.

The poultry inspection bill must be allowed to become operative and must be allowed to become effective. The American people are entitled to a poultry product that has been inspected for wholesomeness. Poultry inspection, at least at this date, should not be tied to the red-meat inspection. I say to you fairly, Mr. Chairman, that there are great doubts in my mind as to whether or not red-meat inspection services and poultry inspection services can ever be combined.

In the first place, the two products are different. The laws pertaining to them require different methods of inspection. They are competitive products in the market place. Poultrymen want to have their own inspection service. They have a lot at stake.

I am entirely in agreement with the desires of the committee to effect such economies as may be possible in the inspection service, and indeed in all appropriations, whether in agriculture or not. However, I do want the RECORD to show that there now exists some doubt in many minds of poultry people about this bill as it relates to the inspection of poultry and poultry products.

I am concerned about this matter because I am privileged to represent a district which produced 47 million broilers last year. Growing broilers has become an integral part of the economy of the rural area in which I live. I am anxious to see the industry have the complete benefits of an adequate inspection service, as envisioned by the law which we passed last year.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, in any legislation that affects the health of people I, with my colleagues on both sides of the aisle, take an especially deep interest. Mine is not an agricultural district. All of the Second District of Illinois is in the city of Chicago, but the city and the farm are closely related and we in the city never forget that if things go wrong on the farm the harm sooner or later will come to the city and vice versa. I congratulate and commend the committee for bringing before us a measure that reflects the dedicated work of men of understanding and of vision.

It is to one provision of the bill, however, that I would address my remarks. This is the provision that covers the realm of intimately personal concern of my constituents. It is the appropriation for meat inspection, and the reason of the interest of my constituents is that this affects their health and the health of their children.

I am old enough to remember the period when there was no meat inspection. I well remember the articles by Miss Tarbell in McClure's magazine a half a century ago that shocked the Nation and stirred the Congress to the creation of the meat-inspection program. The fact is, Mr. Chairman, that unless there is constant and adequate inspection of meat, disease can strike at any home and create the source for a devastating plague. Everyone who has traveled in other lands where there is no such meat inspection as we have in the United States knows how very true is this statement. The last thing in the world that we should do, having concern for the health and welfare of our people, is to let down the bars, even slightly, in this matter of meat inspection.

Mr. Chairman, frankly I am concerned when I receive letters similar to that written me jointly by Thomas L. Lloyd, president, and Patrick E. Gorman, secretary-treasurer of the Amalgamated Meat Cutters and Butcher Workmen of North America, an affiliate of AFL–CIO. These gentlemen are in position to know whereof they speak. Permit me to quote from their letter:

> The meat-inspection program is in the greatest crisis of its half century existence because its inspection force has steadily been decreasing while its workload has increased. The budget estimate submitted by the administration for meat inspection for fiscal year 1959, is, unfortunately, completely inadequate. It would not permit the hiring of the necessary additional inspectors. * * * $19,202,184 is actually necessary. * * * The health and economic welfare of consumers, farmers, packinghouse workers, and meatpacking industry are at stake.

Enclosed in the letter from Mr. Lloyd and Mr. Gorman is a statement signed by them jointly with representatives of the American National Cattlemen's Association, American Meat Institute, the National Farmers Union, the National Grange, National Independent Meat Packers Association, United States Livestock Sanitary Association, and the Western States Meat Packers Association. I read this statement in full:

> The meat-inspection program is now in the greatest crisis of its half century existence. This Federal service, which has earned the respect of every group in American life for its steadfast and effective protection of the consumer and livestock producers, is already unable to fulfill its job and is in danger of deteriorating further.
>
> In recent years, appropriations have not kept pace with the increase in the Meat Inspection Division's workload, which rose with continuing increases in the number of animals slaughtered and the decentralization of the meat industry. The division has shifted its employees back and forth; borrowed veterinarians from other sections of the Department of Agriculture and taken other temporary expedients to meet the severe shortage of inspectors.
>
> But now this system of patchwork is reaching the breaking point. * * * The consequences are serious. They are a definite threat to consumer protection * * *.
>
> Actually, the division needs an increase of 412 inspectors. This is apparent from the following: In fiscal year 1957, the division had 3,023 employees. For fiscal year 1958, it demonstrated the need for 192 more employees, but funds were not made available. In fiscal year 1959, another 3 percent increase in meat plants needing inspection is expected and a 1.5 percent increase in inspectors, or 48 additional inspectors, will be required. The Meat Inspection Division, in order to carry out its functions adequately, must have 3,263 inspectors. But the division will have only 2,851 inspectors on July 1, 1958. The Meat Inspection Division, therefore, needs an apropriation for fiscal

year 1959, of $19,202,184, not of $17,326,000, as the budget indicates.

We firmly believe such an appropriation imperative if the meat-inspection program is to be saved. Economy in government is one thing; pennypinching which endangers the health and livelihood of tens of millions of Americans, is another. * * * The health and economic welfare of consumers, farmers, packinghouse workers, and meatpacking industry are at stake.

From the office of the American Meat Institute, which has its headquarters in Chicago, I have received a letter from which I am reading a few excerpts:

During the 52 years of its existence, Federal meat inspection has been considered a public health service and as such has been paid for by the public as a whole. Although this principle has been recognized by the Congress, the amount of money which has been provided to discharge the obligation has not been sufficient for the expansion made necessary by the increase in population, changes in the character of the meatpacking industry and developments in the merchandising of meat.

According to the best estimate which can be made of the requirements for Federal meat inspection during the 1959 fiscal year, an appropriation of approximately $1.9 million over the current budget request of $17,326,000 will be needed if the public health is to be protected.

Since 1953, the number of meat inspectors has declined although there has been a steady increase in the number of federally inspected plants. In addition, there has been a general upward trend in the number of animals slaughtered and the volume of products processed. The result has been that the Meat Inspection Division have been unable to keep up with the workload.

Mr. Chairman, whenever the health of my constituents, as well as that of the constituents of my colleagues, is concerned, I cannot remain silent. I do not know of my own investigations whether our meat inspection is actually breaking down because of the lack of money. But I have presented the picture as it has been given me by persons close to the scene, persons of standing and integrity. I can do no more. I do know that if we permit the deterioration of meat inspection we will be bringing upon the men and women and children of this Nation nothing short of tragedy.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD following the remarks of the gentleman from Mississippi.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, at the outset I would like to take this opportunity to commend the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], for the tireless work he has performed on the subcommittee and for the brilliant cross-examination of many witnesses which elicited for me and many members of the committee a wealth of information which is so necessary in handling this bill.

I want to take the opportunity of thanking the Democratic members of the subcommittee and the Republican members as well, for giving me the benefit of their views, and for the courtesy, comfort, and encouragement which they have given to me as a neophyte member of the subcommittee, a person coming from the city, dealing with matters which seem to be not germane to city life. Because of their cooperation and because of their help I have found work on this subcommittee to be very inspiring, and it made me realize very clearly that the welfare of the farmer is intimately connected with the welfare and the dignity of the laborer in the city and the industrialist who makes the tools. Our activities are intertwined; if one suffers the normal corollary is that the other segment of our population suffers also. So when I hear that the farmer is getting only 40 percent of what the consumer pays, I say something is wrong. We must preserve our agricultural economy, if we are to protect the economic health of every part of our society.

I want to turn my attention to a subject which is very important to city residents and also to the school children in the rural areas; that is the school-lunch program.

The national school-lunch program represents legislation which I believe by its nature and intent demands flexibility in order to meet changing school needs. You may remember that initial Federal assistance for school-lunch programs which began in 1933, was started for three major reasons: First, to supplement relief feeding programs of the States and localities; second, to provide relief employment for the unemployed; and third, to assist in removing surplus agricultural commodities from the market. By 1946, when the school-lunch program became permanent, the relief aspects had disappeared, and the objectives were broadened. At that time school lunch became an accepted program which, even in times of prosperity, had two very important objectives. One objective was to extend the market for agricultural food commodities by (a) providing an expanded market for agricultural commodities through local purchases of food by school-lunch programs in commercial channels of trade; (b) serving as a valuable outlet for agricultural commodities purchased by the Department of Agriculture to alleviate local and seasonal surpluses; (c) expanding the outlet for highly nutritious foods, particularly in areas of nutritional deficiencies; and (d) introducing a wider variety of foods, thus creating a demand for commodities that many housewives would not otherwise buy.

The second and perhaps more important objective is to improve the health and well-being of the Nation's children by providing them a well-balanced lunch at school to help fill their daily nutritional requirements, and by developing proper and nutritionally beneficial food habits which will continue in later life.

Today, the national school-lunch program furnishes food items to schools by distributing commodities acquired under the stipulations of the National School Lunch Act through State distributing agencies. Under section 6, National School Lunch Act, commodities are purchased on the basis of their nutritional value and acceptability. Under section 32 of the Agricultural Adjustment Act, those commodities declared as surplus foods by the Department of Agriculture are purchased for donation to authorized outlets including all eligible school-lunch programs.

It seems to have been the administration's policy to decrease the amount of various surplus foods available for donation to the schools under section 32 and at the same time to reduce the amount of money with which we supplement the surplus food in order to provide a well-balanced lunch. I submit that the reductions in surplus foods is, in itself, a best argument for the need for an increase in the amount of money required to have adequate school lunch programs.

I was very much disappointed that this year's budget request would cut down by some $55 million on the school lunch program. Turkeys, shelled eggs, and hamburgers were cut out in large part.

It is my purpose today to urge that $55 million be transferred from section 32 funds to section 6 of the National School Lunch Act, in order, to assure an adequate food supply for school lunches. In times of unemployment this increase is especially urgent.

As you know, my district is an urban one and although urban dwellers support farm programs it is often difficult for us to see any tangible benefits from the farm support programs. The national school lunch program is one very definite way by which people in urban areas can see actual benefit. In fact, the only substantial benefit we seem to get from these farm price supports and all the programs for the farmer are the contributions and donations to the school lunch programs which benefit our children. Of course rural areas enjoy these benefits.

It is only right that this area of national public welfare receive adequate Federal support as the needs for such support present themselves. What are some of the evidences of this need?

Perhaps one of the most obvious problems which necessitates our immediate attention to increased Federal funds for school lunch is the rising school enrollment. A program of Federal assistance for school lunches which was adequate in 1954 was not adequate in 1956 when the total school enrollment increased from 28,836,000 to 31,145,000, which represents an 8 percent increase. This program of assistance, especially with a decrease in the availability of surplus foods, as has been the recent administration pattern, certainly will not be adequate for the 1958 school enrollment of over 33 million.

The rising tide of school enrollment has continued to make heavy demands upon the lunch program. For example, in 1947 the total number of meals served was 910 million. In 1957 that total number had increased to 1,800 million. The average number of children participating in the national school-lunch

program in 1956 was 9,337,494, and the peak number for that same year, which was reached during the month of November, was 10,536,029. This means that about one-third of the Nation's schoolchildren were furnished noonday meals in 51,369 participating schools for fiscal 1956.

But the real importance of this program is not in the statistics but in what they have meant to the children. The almost $281 million Federal expenditure for school lunches represents a relatively small item in the total Federal budget in return for the real value of the program. This Federal expenditure represents a figure of vital importance to the millions of schoolchildren who, for no charge or for a minimum charge, may receive a noonday meal which is not only appetizing but nourishing.

It has been reported that children who get lunch under this program, as compared with those who do not, show: a more rapid gain in weight and height, better attendance records, improvement in scholastic standing, better deportment, and higher resistance to colds and other illnesses.

One school-lunch administrator, writing of the school-lunch program, states:

> Research has shown that the average home diet is low in protein and vitamins A and C. The schools, therefore, are encouraged to insure an adequate supply of these nutrients in daily menus. * * * The type A lunch required to be served by the participating schools, provides almost half of children's daily needs. * * * A well-balanced meal served at school (also) provides opportunities for relating classroom teaching to actual food and health practices.

Although the state of unemployment is not as widespread as was unemployment in the thirties and although the levels of earnings and consumption today are considerably higher than they were in the thirties, we certainly are acutely aware of a serious national recession. A recession, I might add, which has existed for some time and which somehow manages to exist even though prices of food are at an alltime high. The housewife who markets today finds it a difficult task to plan three meals which are nourishing, appetizing and economical. The hot nourishing lunch at school for the children certainly serves to relieve some of the drain on both the family pantry and the family pocketbook. Thus, it cannot be argued that the need for supplying noon meals to hungry children is not as urgent as it was when the program was established in the depression years of the thirties.

Neither can it be argued that Federal assistance in the program of school lunches will result in Federal domination or control, for the years of the successful operation of the school lunch program have demonstrated that the Federal Government has been able to function cooperatively with State and local governments without control or conflict. One demonstration of this cooperation in administrating the school lunch program is supported by replies from State and local governments in response to a questionnaire sent out by the intergovernmental relations subcommittee of the Committee on Government Operation of the House. A summary of these replies, as related to the school lunch program in particular, states:

(a) There is generally believed to be a satisfactory balance between the Federal, State, and local governments in the administration of the school lunch program.

(b) In most instances, the personnel of the Federal Goverment has provided adequate, beneficial supervision.

(c) Federal aid to the school lunch program has not resulted in the transfer of functions from local to State control or vice versa.

(d) Federal statutes of standards have been minimum, and few, if any unreasonable demands have been made.

The local governments generally commented about the program:

> The school-lunch programs have been a great boost to the health and moral of the American children. The program should be continued. The use of surplus food commodities has aided the schools.

The expressed need supported by the majority of the States answering this questionnaire as it related to the school-lunch program was:

> Federal aid for school-lunch programs should be increased. This increase is needed in order for the schools to meet the demands made upon the lunch program today.

Surely these comments from the State governments serve to support the urgent need for increased Federal financial assistance.

There are many circumstances within the nature of change and progress which effect the Nation's schools and their school program. The school, of necessity, has had to accept responsibilities other than the teaching of the three r's. The working mother, the consolidation of schools which has resulted in more travel time, the increasing food prices, the present day recession and status of unemployment, and most important of all the health of the Nation's children represent but a few factors which demonstrate the need for maintaining and expanding school-lunch programs. It can truthfully be said that the modern school of today must provide both food for thought and food for health.

While we have been generous to Europe and foreign countries we should not forget that charity begins in our homes and in our schools. I prefer that some of our surplus foods which foreign countries receive go to our children in our schools.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. TEWES].

Mr. TEWES. Mr. Chairman, the portion of this bill which appropriates funds for the Meat Inspection Division of the Agriculture Department is important not only to consumers, but to those businesses which are working daily with the inspectors.

It is the opinion of many observers from both groups that the appropriations have not kept pace with the requirements of the service. For example, 13 years ago, there were 908 meatpacking establishments in 350 different cities. Inspection duties were performed by 855 veterinarians. This year there are 1,224 meatpacking plants under Federal inspection in 502 cities. There are only 677 veterinarians.

More than 300 more plants in more than 150 more cities have to be serviced by almost 200 fewer veterinarians.

Meatpackers in my district advise me that approximately $19 million should be appropriated merely to maintain former standards of performance by this vital Federal agency. Shortage in the number of inspectors and veterinarians must ultimately result in either a lower standard of performance, or a slowup on production of packers by the understaffed inspection division.

The first result hurts the public. The second hurts the private businesses operating under the regulation. I am concerned with this matter because I fear we risk both results if we are not appropriating sufficient funds.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. HIESTAND] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HIESTAND. Mr. Chairman, I wish to go on record emphatically opposing any further taxpayer subsidizing the Rural Electrification Administration.

The record shows the farms of the United States are now approximately 95 percent electrified. And yet this great Bureau must dig up more projects to keep up the spending.

They asked for loan authorization of $150 million more right out of the United States Treasury for further projects, largely to finance urban, not rural, expansion. Imagine that. This puts them further into direct competition with private taxpaying industry.

But this is not all. Our generous Appropriations Subcommittee raised this request another $150 million, just doubling it.

Yes, they say it is a loan, not a subsidy. But it is a subsidy, in that interest to be paid is only 2 percent, regardless of how much the Treasury, your Treasury, has to pay for the money.

It is also just another $300 million your Treasury has to borrow and raise the Federal debt.

The committee has even raised the request for $56 million for rural telephone expansion by another $4 million to $60 million.

Mr. Chairman, it is these Federal aid programs that are causing your Treasury to run short of funds to have to borrow more money and raise the Federal debt.

To me, this is an act of fiscal irresponsibility. The spenders are in control and they have the votes to pass this bill. They are generous, generous with the taxpayer's money, and all to keep the bureaucrats riding high.

This Bureau, backed by its powerful lobby, the National Association of Rural Cooperatives, calls the shots, and the Appropriations Subcommittee even raises the requests. How completely irresponsible.

In addition, the committee has recommended $25 million contingency funds for each, and $9 million for expenses. Possible draft on the Treasury, $419 million. The spenders are riding high.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the gentleman from South Dakota [Mr. BERRY] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BERRY. Mr. Chairman, I have asked for this time to comment briefly upon some of the appropriation items included in this bill which establishes the appropriation for the Department of Agriculture and the agricultural programs for the coming year.

First, I wish to commend the Agriculture Appropriation Subcommittee on the very fine and very careful job they have done in evaluating the various programs and providing funds for them.

I would like to comment on several of the items included in this bill:

I want to commend the committee for establishing the total sum of $15 million for the eradication of brucellosis. This is a most worthy and necessary program in the improvement of the livestock industry in the United States. I also wish to commend the committee in providing that this money should be set up on a direct appropriation rather than on a reimbursable basis from the Commodity Credit Corporation. I have watched the development of the brucellosis eradication program very closely. I know that great strides are being made, and I am sure that with the continuation of the program at its present level, the dreaded brucellosis disease will, before too long, be a thing of the past.

I also want to commend the committee upon their decision to retain the agricultural conservation program at the $250 million level. This is an important program to the agricultural producers of America, particularly in view of the tremendous sums that have been spent in restoring damage caused by natural disasters in many areas of the country. Certainly, it would be less costly to the Nation to prevent the loss of soil and water through the ACP program than to restore the damage after it has happened. The topsoil which flows down into our streams and rivers is lost forever. This program not only retains the soil where it is, but helps to keep the moisture where it falls in the upper reaches.

I would add, also, my commendation to the committee upon their action taken upon the appropriation for REA, both for extension of power and for the rural telephone program. There is probably nothing that has done more to improve living conditions in rural areas and to lighten the burden of agriculture more than the REA and RTA programs. The public investment in these programs is guaranteed not only by the investment that the cooperatives made in the physical security of the plant, but more particularly in the work and individual effort of the farmers themselves in establishing and constructing and developing the lines and business.

The committee is also to be commended upon its provision for foreign disposal of agricultural commodities, as well as provision for the school-lunch program. These are programs which not only build an outlet for agricultural products, but build for better and sounder Americans in years to come. The school-lunch program has proven to be a great asset, not only to agriculture, but particularly to the well-being of the youth of America.

I was, of course, pleased, Mr. Chairman, with the provision made for the Agricultural Research Service. It would be my recommendation, however, Mr. Chairman, that special emphasis be placed upon that phase of research which would provide an outlet for more agricultural products. I cannot stress too strongly, Mr. Chairman, the need for converting corn, grains, and other agricultural products into commercial alcohol to be mixed with gasoline for fuel consumption, and research on dozens of other commercial uses for agricultural production. If the agricultural industry is to find its rightful place in a healthy economy in this Nation, it must of necessity, find that place in the commercial use of agricultural production. The production of food for ourselves and our neighbors is, of course, vital, but under our modern methods of production, food does not provide sufficient outlet for that production and we find ourselves embarrassed by having too much in our great land of plenty.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, I have reviewed very carefully the report of the Committee on Appropriations on Department of Agriculture appropriations for 1959. It is evident from the printed hearings, as well as from the report, that the committee has done a painstaking and thorough job of reviewing the Department's programs and activities. I know the members of the committee have labored to bring forth a bill which, in their opinion, makes the best possible provision for the welfare of the farmers and others affected by its provisions. I believe the recommendations of the committee for the most of the programs of the Department are sound. However, there are a few recommendations in the report which cause me considerable concern.

SUGAR ACT PROGRAM

The committee has recommended that the Sugar Act budget be reduced from $76 million to $71 million. This decrease of $5 million will come out of the funds needed for making mandatory payments to producers of sugar beets and sugarcane.

The sugar program budget as submitted to the Congress contemplated the deferral until fiscal year 1960 of substantially all of the payments to be made with respect to the 1958–59 Puerto Rican crop. On the basis of the 1958 production estimated in the budget, the committee's action would increase deferrals to over $21 million which would necessitate the holding up of payments on mainland crops as well as the Puerto Rican crop. Since the Puerto Rican crop is harvested late in the fiscal year, deferrals within safe limits do no particular harm in the case of Puerto Rico. But most of the mainland crops are harvested in the first half of the fiscal year and, therefore, delays in those payments could be injurious to growers. It should be kept in mind that last year's appropriation also was cut below the budget estimate with the result that deferrals have increased progressively.

In considering these progressive increases in deferrals three facts should be remembered:

First. The entire sugar program includes a processing tax of $10 per ton which should yield $88 million this year for the purpose of financing the sugar program.

Second. The law requires the payments to be made.

Third. Because of the upward trend in domestic requirements and production, Sugar Act payments can be expected to increase.

PACKERS AND STOCKYARDS ACT

The committee reduced by $100,000 the Department of Agriculture's estimate of need for administration of the Packers and Stockyards Act. For fiscal year 1959 the Department of Agriculture requested an additional $225,000 to extend the enforcement work under the act. The great need for this additional work has been recognized by many Members of both Houses of Congress and by the livestock and meat industry.

The Department has been gearing up its operations to more adequately administer all parts of the act, and particularly its investigations into trade practices of the meatpacking industry.

The Congress has heard many claims and criticisms that the Packers and Stockyards Act was not being adequately enforced. During the present session there have been extensive hearings before committees of both the Senate and the House in connection with several bills before the Congress.

The Department of Agriculture has been criticized by some for not requesting more funds with which to administer the Packers and Stockyards Act. There have been times in the past that Congress has not appropriated as much as asked for by the Department. Certainly the Congress should not go on record as advocating increased enforcement of an act and then fail to provide adequate funds for that enforcement.

The committee recommendation leaves only $125,000 additional for expansion of work both in trade practices of the meatpacking industry and for posting additional stockyards. Much more than that is needed. In the several hearings before committees of both the Senate and the House, Members of Congress and a good many agriculture groups have recommended that the Department greatly expand its investigation of trade practices in industry. Also there have been hearings in which criticisms were voiced for failure of the Department to post and supervise all eligible livestock markets throughout the United States.

The Department in 1956 began with the approval of Congress and appropriated funds, a 3-year program for posting and supervising all livestock markets. The Department has completed a substantial portion of its 3-year program. There are approximately one thousand livestock auction markets subject to the act of which about 600 have now been posted by the Department. If adequate funds are not made available the Department cannot continue its program of posting the remaining 400 livestock auction markets now subject to the act but not yet posted.

There is need to supervise the business practices at all livestock markets and meatpackers meeting the requirements under the act in order to safeguard the interest of livestock producers and others. Efficient and effective administration of this regulatory act requires that the whole job be done and not just a partial one.

The committee, in its report, said that a better job needs to be done in this area of responsibility, and it also said that some additional funds appear to be necessary. It is strange, considering that statement in the committee report, why the committee did not follow its own reasoning and recommend the full amount requested for administration of the act.

I strongly urge that the Congress restore the $100,000 that was omitted from the request of the Department for administration of the Packers and Stockyards Act.

UTILIZATION RESEARCH

The committee, in its report on the appropriations for fiscal year 1959, recommended a decrease of $2,300,000 for research into the utilization of agricultural products. To justify this decrease, the committee stated that—

> In order to assure the maximum results from the research activities of the Department, during the next year, the committee has held the increase for utilization research at a reasonable level, consistent with the ability to recruit trained personnel and expand facilities on a sound basis.

The committee failed to take into consideration the fact that the programs proposed by the Department of Agriculture include plans for a number of contracts with outside organizations to supplement the research within their own facilities. These contracts are urgently needed to speed the adoption by industry of developments resulting from previous research within the Department. In these areas of vital importance to American agriculture, there is little or no incentive for private risk and venture by industry on behalf of agricultural commodities.

This and other additional utilization research are urgently needed to increase the market for agricultural products, and particularly the agricultural products in surplus. The cut proposed by the committee will make it impossible for the Department to proceed as effectively or as rapidly as is desirable in developing new uses and new markets for our farm products.

CONSERVATION RESERVE PROGRAM

The expansion of our agricultural surpluses has been retarded. But there is need for a more permanent adjustment in our agricultural plant so that those involved in the production of agricultural commodities are protected from the devastating effects of huge recurring surpluses. The retiring of currently used cropland into recognized good conservation uses, as provided for in the Soil Bank conservation reserve program, could offer a means of bringing about this needed adjustment. Up to this time the conservation reserve program rental rates have been set at levels which were deliberately intended to be attractive chiefly to the least productive land in the country. That only 10 million acres have been placed in the conservation reserve at this time is indicative of this fact.

The committee has agreed with the President on the elimination of the acreage reserve program. Wisdom now dictates that the conservation reserve part of the Soil Bank should be immediately expanded and funds provided to bring about the amount of adjustment needed in our agricultural plant.

The conservation reserve program should be shifted into more of a production adjustment vehicle. This would mean more funds would be required, with probably higher rates of payment and emphasis on whole farms to be taken out of production. The experimental bid program conducted by the Department this year in Maine, Tennessee, Nebraska, and Illinois proved beyond question that many farmers would cooperate with this type of a program. if the rates offered were more realistic compared with going rental rates. Over 52,000 farmers in these four States offered to retire the entire cropland on their farms in this experimental program.

The committee has recommended a reduction of $300 million in the budget proposal for an advance authorization for the conservation reserve program from the $450 million for 1959. This results in a possible program level even lower than in 1958, instead of the expansion which is needed. The Department's experience to date clearly indicates that farmers desire to cooperate, and will cooperate. This depends, however, on the funds which are made available and the limitations which are applied.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. As the gentleman is aware, this is a commitment that has to be carried out, and the money in this bill is an estimate as to what it will take. If our estimate proves wrong, we will have to pay it. So it is a matter of judgment as to just how much you should have at the present time.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, I rise at this time to bring to the attention of the committee a matter that came to my attention just recently, and on which I had hoped to offer an amendment. I feel, however, in view of the nature of the amendment, that it probably would get better consideration and probably should be offered in the other body. There is a problem connected with the marketing facilities, the reporting of marketing of livestock, at the stockyards at Muncie, Ind., which is in my Congressional District, where the present marketing facilities and the personnel who broadcast and get out the market information, have been canceled. I feel very strongly that this is an important market where the news service is of great value to the farmers of that whole area. I am very sorry to see this happen. I believe that the amount of money involved is so small, especially in terms of the total budget, and where it is of such great importance to this great livestock area, that it is tragic that it should have been canceled out.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, it is a pleasure to serve on this committee with the very able members so interested in doing what they can to stimulate the great agricultural industry of this country. You have had a report on the bill, paragraph by paragraph, and I shall not belabor you with any repetitious facts here this afternoon.

I would like to say that we have taken very good care of the REA from the standpoint of appropriations, and I am quite sure that the Congress will take good care of this great institution that has done so much for the life and prosperity of the farmers and the Nation as well.

I feel confident that the Members of Congress know well the great worth of this organization and will see that it is kept in such shape that it can continue its mission in the interest of our Nation.

There are various departments of Agriculture that have been explained; that is, why we made some changes, why we increased here and why we have reduced there. But I want to talk to you for a few minutes about Agriculture's present condition and perhaps its past and its hope for the future. I realize that Agriculture has not fully shared in the general prosperity of the country, as do all Members, but I do believe that the course of Agriculture has been properly directed in nearly all instances under the present Administrator, Ezra T. Benson. I think he is one of the great public figures of this day and will go down in history as one of the great directors or administrators of agriculture. I think history will give him his well-deserved place, and I think the farmers are beginning to see and to note, and to understand that he is courageously following a course that in the present and for the long future, is in the interest of all segments of agriculture.

Let us take a look at the more optimistic side of the coin as we take inventory and consider this great agricultural problem. I should like to begin with some facts.

Farm income is, of course, of major interest because it is so closely related to the farm families' standard of living which, in turn, is the basic concern underlying most of the Department's work. Per capita income of people on the farms must be the most realistic gage of income because it more accurately reflects the whole picture, particularly changes in population as well. According to this measurement the 1957 income per person on farms from all sources was the highest in history. There may be some who will want to challenge that statement later on.

Let us look at the figures. Farmers' realized net income in 1957 was $11.5 billion compared with $12 billion in 1956. This drop, however, resulted from two primary causes: First, a 3-percent increase in total farm production costs or expenses and, second, a wet fall and a late harvest which sharply reduced marketing late in 1957 and caused a very substantial buildup of stocks on the farms as of January 1, 1958.

Mr. Chairman, this bill provides $1,456,588,653 for what is termed the regular activities of the Department under title 1 of the bill. This amount is $152,390,195 less than funds provided for these activities in 1958. It is a reduction of $103,900,000 below the budget estimate.

There are two items in the bill that I thought should be reduced by a considerable amount, but apparently it is the judgment of the other members of the committee that this should not be done.

Also included in the bill is $1,760,399,886 to restore capital impairment of CCC through June 1957 under price support and related activities. Of this amount, $739,606,640 represents losses on farm commodities handled. The balance, $1 billion, is for storage handling, transportation, administration, and interest costs.

REA

The committee provided for the Rural Electrification Administration and the Farmers Home Administration, $569,500,000, broken down as follows: For REA, $300 million; REA Telephone, $60 million; Farmers' Home Administration, $209,500,000 plus a $25 million contingency fund for each program. These amounts are not appropriations. They are authorizations to borrow from the Treasury sufficient funds to meet the loan programs of these agencies. These loans are repaid over a term of years with interest.

AGRICULTURAL RESEARCH SERVICE

For research we have recommended $58,444,890 for 1959, which is to expand research on utilization of agricultural commodities.

PLANT AND ANIMAL DISEASE AND PEST CONTROL

For these items, we appropriated $41,732,000 which is an increase of $11,650,000 over the 1958 appropriation.

MEAT INSPECTION

The committee recommends the sum of $24,326,000 for 1959 for the regular meat inspection service, and the new mandatory poultry inspection program authorized last year. Of this amount, $17,826,000 is to be used to meet the regular meat inspection workload, which is an increase of $1 million for this item. The balance of the funds we feel should adequately meet the full poultry inspection workload.

STATE EXPERIMENT STATIONS

We allowed the full amount of the budget request for this item—$30,353,708.

SOIL CONSERVATION SERVICE

This Service provides assistance to soil-conservation districts that will conserve the soil and water resources, provide for agriculture reduction on a sustained basis, and reduce damage from floods and sedimentation. The Service also carries out special drainage, irrigation, flood prevention, and watershed protection activities in cooperation with Federal and State agencies.

The committee recommends $74,780,000 for the fiscal year 1959—an increase of $2,500,000 over the budget estimate.

Testimony indicates that 40 new districts will be formed during the fiscal year, and an additional 30 districts will be activated during fiscal year 1959 as well.

WATERSHED PROTECTION

For this popular and rapidly expanding Soil Conservation Service—$25,500,000.

AGRICULTURAL CONSERVATION PROGRAM

The purpose of this program includes restoring and improving soil fertility, reducing erosion caused by water and weather, and conserving water on the land and for cost-sharing systems to individual farmers and rangers for carrying out approved soil building and soil and water conserving practices on their farms. The farmer bears in this sharing effort about 50 percent of the average cost, and, in addition, supplies the labor necessary to carry out the practices.

For the above conservation work for the fiscal year 1959, we recommended an appropriation of $235 million, which we feel will be sufficient to meet all commitments made to participate under the 1958 program authorization of $250 million.

The budget requested that the advance 1959 program authorization be reduced to $125 million for the coming year, but the committee restored the full $250 million program for 1959.

SCHOOL LUNCH PROGRAM

The committee recommends the full budget estimate—$150 million for the fiscal year 1959. In addition, the committee has included language in the bill to transfer $55 million from section 32 funds to section 6 of the school lunch program, to assure a more adequate supply of food for school lunches.

CONSERVATION RESERVE PROGRAM

For conservation reserve, an appropriation of $250 million is recommended to cover expenditures under this program during fiscal year 1959. This will provide $64 million to meet payments due under 1956–57 contracts; $146 million to meet commitments under 1958 contracts; $23 million for payments on 1959 contracts, and $17 million for transfer, operating expenses and production of forestry seedlings.

The budget includes $242.9 million for payments against 1958 contracts.

As of March 1, 1958, only $47.9 million worth of contracts were signed, and the signup period closes on April 15. The committee estimates, therefore, that signups will total only $146 million for the year. Accordingly, it has reduced the funds for this purpose by $100 million.

ACREAGE RESERVE PROGRAM

An appropriation of $330 million, the full budget estimate, is included in the bill for the coming fiscal year to pay off contracts signed under the 1958 crop year program.

THE STATUS OF AGRICULTURE

Mr. Chairman, while I realize agriculture has not fully shared in the general prosperity of our country, I do believe that the cause of agriculture has been properly directed, in nearly all instances, under the present administrator, and that agriculture has gone through the most difficult peacetime decade in its history, and is on the road to substantial and continual recovery.

Now, let us look at the more optimistic side of the subject.

FARM INCOME

I should like to begin with some of the facts about agriculture's present position.

Farm income is, of course, of major interest 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.

Per capita income of people on farms is the most realistic gage of income because it more accurately reflects the whole picture, particularly changes in population. According to this measurement, the 1957 income per person on farms, from all sources both farm and nonfarm, was the highest in history.

Let us 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. 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 stock 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.

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. Most 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. 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 all-time 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.

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 billion below the 1956 crop. It is expected 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.

PRESENT FARM STATUS

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—$188 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 about 2 years ago.

The build-up 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.

DECLINE IN FARM PRICES

The price of farm commodities from 1948 to 1952 dropped about 19 points—even with the Korean war in effect, that stimulated prices in 1950, 1951, and 1952.

During this same time, by strikes and threats of strikes, in all of the farm machinery industry, the wages of those making farm machinery increased by over 30 percent, which caused, as every farmer knows, an increase in the cost of farm machinery, that the farmer had to buy, of 25 percent or more, with the result that the total farm production costs rose under the Truman administration, from 1949 to the close of 1952, $4.6 billion; or, in other words, it cost the farmers more to put in and harvest their crops in 1952 than it did in 1949, and it has cost them that extra $4.6 billion every year up to the present time.

I would also like to point out that even with the Korean war, from December 1951 to December 1952, statistics show that the parity ratio dropped 11 points in 1 year, under the Truman administration; that under 5 years of the Eisenhower administration, farm prices reached their low, and are today at 87 percent of parity—and that the drop in farm prices in 5 years under the Eisenhower administration was less than the drop in the last year of the Truman administration.

Now let us compare the increase in 5 years to the farmers to put in and harvest their crops under the Eisenhower administration: In 1953, total farm production expenses were $21.2 billion. For 1957, they are $22.9 billion, or an increase of 8 percent for the 5 years, or $1.7 billion. The increase to the farmers under 5 years in total production costs under the present administration is $1.7 billion, as compared with an increase in the last 4 years of the Truman administration in the farmers' costs to produce his crops of $4.6 billion—a percentage increase of 26 percent.

And the farmers, due to these high prices, have been in trouble since that time.

When is this Congress going to help give the farmer relief from the constant pyramiding of labor costs that robs the farmers of billions of dollars a year?

We hear a good deal of talk about the farmers not getting their full share of the dollar. I would like to see somebody instead of continuing to talk about it—to do something about it. I think we all know where you have to go to do something about it. You cannot have a pyramiding of wages because of the power of the labor monopoly every year whether or not their production would justify new wage contracts every year. And, there have been 48 of them, I think, this year running from 17 cents to 25 cents an hour. You cannot keep these wages going up all the time unless you penalize the farmer from the day his livestock is born on the farm and from the feed lot all the way to the city where it is delivered to the consumer. You not only penalize all of the farmers, you are also penalizing every consumer in America.

The CHAIRMAN. The time of the gentleman has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. VURSELL. It also brings inflation that wipes out the value of money and prevents procuring the things that money would buy. Why do we not do something about it? I would like to see someone of stature in this Congress, on either side of the aisle, come up with a concurrent resolution and appeal to Walter Reuther to call off at the present time their request for higher wages and help to stabilize the economy of our country and stop this inflation. I believe if someone would offer such a resolution and the Democrats and Republicans would stand solidly behind it in the House and Senate, they would call it off. At the same time I believe the same sort of resolution ought to be directed to those in the motor manufacturing business, the National Association of Manufacturers, the National Chamber of Commerce, the State chambers of commerce, and to big business, medium business, to reduce their prices and cooperate with the Government and stop this ruinous inflation.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. HOFFMAN. Can you tell about how many billions we have appropriated for unemployment?

Mr. VURSELL. I do not have the figures.

Mr. HOFFMAN. Have you any idea how many jobs?

Mr. VURSELL. I know about how many people are out of jobs.

Mr. HOFFMAN. How many?

Mr. VURSELL. About 5 million.

I think it is serious. Here we have prices going up, people out of work, employment going down. That is certainly proof that we are in a wage squeeze. A high wage and price recession. It is certainly proof that the big labor leaders of the Nation are pricing their own people out of jobs, because they have production so high that there is a semi-strike against the high price of products produced.

The reason I say I would like someone to introduce a resolution like that, I introduced a resolution like that last year and of course there was no action taken. But why do we not now, in the interest of all the 165 million people, have the courage to try to stop some of this inflation and penalizing the farmers and everybody who buys anything by stabilizing prices? You can do that without being against organized labor. The fact is, if we would take that sort of position it would make more employment and labor being fully employed, would go home with more pay than they have under the situation they have now, and the entire Nation would benefit from the action we would take.

Mr. HOFFMAN. Will the gentleman yield again?

Mr. VURSELL. I yield.

Mr. HOFFMAN. This is not anything new. If you will read the hearings of 1945, at that time the Committee on Government Operations was trying to get legislation to create 8 million—get that—8 million jobs for the unemployed. We had Wallace and Fred Vinson, Phil Murray, Green, and half a dozen others down before the committee—Eric Johnston. Do not forget him. He is one of the quacks we have yet. What are you going to do about it? You appropriate a million or more for Federal jobs, and then you write into that a provision that the wages shall be only so much and the hours shall be so much.

Mr. VURSELL. There could be the possibility, answering the gentleman's

question, that the Congress has not given quite the attention to approaching these problems that they should have in the past.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield myself 5 minutes and shall take a little time at the outset to make a few inquiries of the gentleman from Mississippi, the chairman of the subcommittee.

Mr. Chairman, I refer to language on page 6 of the report under the general heading "Need for Formal Hearings," where we have this language:

After hearings on the operations of this Corporation, the committee is convinced that the Department should provide for formal hearings, with notice given in advance, on any major action or change of policy being considered by the officers of the Corporation. Such hearings should be printed and released to the public, together with copies of any orders issued and reasons therefor.

Now I would like to make just a few remarks before I ask the gentleman a question.

A procedure whereby CCC would give notice in advance and hold hearings before taking any major action or making a change of policy would be totally unworkable. The Board of Directors of the Commodity Credit Corporation meets on an average of once a week, considering on an average of about five items.

If it should be necessary to hold a public hearing and issue public records before any action could be taken by the CCC Board it would be necessary to have hearings going on all of the time. If top officials of the Department of Agriculture and CCC would be expected to attend these hearings they would have little time for the performance of any other duties.

At one time we had an extensive system of commodity and industry advisory committees. We found that these committees had only limited usefulness in many types of situations. Many of the committees were abolished. If, however, we attempted to hold public hearings on every change in policy those who could be expected to attend would be about the same group we previously had on these committees, and we would be returning to a system previously tried and found wanting in many respects.

May I ask the gentleman from Mississippi [Mr. WHITTEN] this question: Just what would the gentleman consider to be a major change in policy or major action requiring formal hearings?

Mr. WHITTEN. May I say to the gentleman that the statement which he just read accurately reflects the view of the committee. Let me preface my remarks now by saying that the Commodity Credit Corporation is a $14 billion corporation. The officials of that corporation approved a policy of inspecting and reclassifying cotton after the cotton had been sold, and the record shows that about $36 million was paid out in refunds. Yet the buyers of the cotton received more for it when they sold it on a competitive world market than the original price.

Another thing we have to bear in mind is the extent to which policies of governmental departments affect people. It is difficult to measure them in dollars and cents. But decisions by the Federal Communications Commission do not amount to nearly as much in dollars and cents as decisions by the Commodity Credit Corporation. Its transactions reach to the hundreds of millions of dollars and the effect of its action is to take it out of the pockets of some and put it into the pockets of others.

We have been very careful in this report not to make any charge against the officers as individuals, and I make none now. But I do say that decisions made by the officers of this $14 billion corporation have effects that extend to hundreds of millions of dollars which people make or lose, or even the Government might lose it. Certainly we should have some established means or method whereby such major policies are decided.

In citing the following examples I do not want them to be taken as restrictive. The Department of Agriculture knows the attitude of the Appropriations Committee and the Congress is insisting upon a competitive sales approach to the disposition of the CCC commodities. The Secretary of the Department is very proud of this wonderful record they have made under this approach to the disposition of commodities. The solution completely changed the earlier policy of export subsidies.

Now we learn indirectly that the Department plans to substitute an export subsidy plan for competitive sales.

I cite that as one illustration where this Corporation did not even advise the Congress, did not even advise our Appropriations Committee.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. I yield myself 2 additional minutes.

Mr. WHITTEN. I cite that as one illustration. But by citing it I do not want to restrict the inclusion of something of a similar nature. "Major policy" has a general definition and they know what we mean.

Mr. H. CARL ANDERSEN. The gentleman realizes I am asking this question for the purpose of construing what is meant by this language. Will the gentleman kindly place in the RECORD at his convenience today any further definition he might have relative to my question?

Mr. WHITTEN. I am glad to enlighten the gentleman.

Mr. H. CARL ANDERSEN. May I bring up one more point? I refer to the last paragraph on page 9 of the report. The language there reads:

In view of Congressional interest in a consistent sales policy, the sales manager is directed to report monthly to the Speaker of the House, and to the appropriate committees of the House and Senate, the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Corporation owns or which it is directed to support.

As a premise to my question, may I say this: The general sales manager can render a monthly report on sales accomplishments with regard to each commodity which the Corporation owns or which it is directed to support. Proposed Department policies, activities, and developments relating to the disposal of CCC commodities must, of necessity, be discussed between the general sales manager's office, the Office of the Administrator, and the Secretary's Office. The sales manager is, therefore, not in a position to report proposed policies, activities, and developments until such proposed actions have been finalized.

Here is my question: Mr. WHITTEN, is it not your intention to have such reports as may be required transmitted to you as chairman by the Secretary himself?

Mr. WHITTEN. I agree with the facts that the gentleman has pointed out. The sales manager could not report until after the fact. But I would insist that the intent there is to have the sales manager make the reports. In support of that, I point out that the sales manager's position was created by the Congress in an appropriation bill a few years ago. May I say further that Congress itself might give some thought to additional legislation for a proper audit, with a view to looking after and supervising this $14 billion Corporation.

Mr. H. CARL ANDERSEN. I am entirely in agreement on that point with the gentleman.

Mr. WHITTEN. May I say that the reports should come to the Congress from the sales manager. I would agree that, being an employee of the corporation, he would not be at liberty to advise us until after the actions were taken.

Mr. H. CARL ANDERSEN. I am sure the gentleman does not mean that the sales manager should report on pending developments which might touch off a splurge of speculation?

Mr. WHITTEN. As an employee of the corporation, certainly he would not have that authority, and I would not want him to have it.

Mr. H. CARL ANDERSEN. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I take this time to raise 3 points in connection with this legislation which is before the House for consideration today. The bill provides for a hundred million dollars for the school lunch program. What method is used in the releasing of these funds? What happens to the $75 million which has been appropriated in the past years for the school milk program or is that at the discretion of the Secretary?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from Mississippi.

Mr. WHITTEN. The milk program is entirely separate from the school-lunch program. It is under a special law. The Commodity Credit Corporation finances the Government's part of the special-milk program, and this committee, in turn, merely restores the money to the Commodity Credit Corporation.

Mr. KNOX. I understand the basic law, but does this $100 million amend the basic law in any way so that the $75 million could not be available for the school-milk program?

Mr. WHITTEN. The school-milk program would proceed. This appropriation to the school-lunch program is divided under a formula between the various States. Eighty-five million dollars is paid to the States through a formula for contribution to the school-lunch program and $15 million of the $100 million is retained in the Washington office to buy special foods for the purpose of making a complete lunch for the various schools.

Mr. KNOX. In other words, the basic law has not been changed as far as the milk program is concerned?

Mr. WHITTEN. That is right.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, it has been my pleasure to serve on this committee now for better than a dozen years, and I have enjoyed the service immensely. I am rather proud of some of the accomplishments achieved for American agriculture during that time, and the close cooperation on both sides of the aisle has resulted in many things that are good for American agriculture.

If I may, I would like to read a paragraph on page 5 of the report which I think expresses the spirit of this subcommittee:

> This is not a partisan matter. It is a matter which affects every citizen of the United States—and of the entire world. We must preserve our agricultural economy, if we are to protect the economic health of every part of our society.

I would like to include here a brief reference to several things that are being done and of which this subcommittee has shown an interest through the years.

For one thing, we have observed the operations of Public Law 480 which has seen $4 billions worth of commodities, most of them surplus, moved into consumption around the world. In fact this and the sales force which this subcommittee helped to institute in the Department has seen almost the depletion of some of our most troublesome surpluses in cotton, wheat and other commodities. Since fiscal year 1953, we have increased agricultural research by 95 percent. This year a new emphasis is being placed upon utilization research.

Personally, I do not agree with this emphasis believing that production research is most apt to help the man actually producing food and fiber. We have made tremendous strides in the eradication of brucellosis. In fact, we have 980 counties in 41 States now being certified as modified free of this disease.

Since 1953 we have increased extension work by about 80 percent. One of the things that has happened in the Department of Agriculture since 1954 and of which this subcommittee is particularly proud is the revitalizing of the Foreign Agricultural Service. Today we have attachés stationed in 51 foreign posts covering about 100 countries. Their work has been a tremendous factor in the virtual doubling of agricultural exports in the last 4 years.

In 1954 the Farm Credit Administration was made an independent agency, a move long urged by farmers and farm organizations. We have also stepped up and improved the service through the Farmers Home Administration.

More soil conservation has been applied in the last 5 years than any other period in our history. This includes the Watershed Protection and Flood Prevention Act of 1954. This is particularly helpful where flooding conditions exist. The last 4 years has seen tremendously beneficial programs instituted in disaster relief. Since July 1953, $600 millions has been extended by the Department of Agriculture in various kinds of special draught and disaster aid.

Social security has been extended to farm families and farmworkers. Special milk programs have been instituted.

All of these programs have had their impact on agriculture. Today I feel that the commerce in agriculture and its free movement by private trade is on the threshold of an era that will be of tremendous value to the American farmer.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. WATTS].

Mr. WATTS. Mr. Chairman, I am happy that my colleague from Mississippi has clarified the statements contained in the report of the Appropriations Committee and has made it plain that in consolidating the funds for meat and poultry inspection, the Appropriations Committee did not intend to place poultry inspection under the Agriculture Research Service.

As chairman of the Subcommittee of the Committee on Agriculture which handled the legislation which ultimately became the Poultry Products Inspection Act, I am vitally interested, and the committee is vitally interested, in making certain that nothing is done to interfere with the effective administration of this legislation.

This legislation was the outgrowth of extensive hearings held by the Committee on Agriculture during the 84th Congress and the 1st session of the 85th Congress. The precise question of which agency should administer the Poultry Products Inspection Act was carefully considered by the committee. A number of the bills which were under consideration would have, by legislative action, placed the administration of the poultry inspection program in the Agriculture Research Service as a part of the red meat inspection program. Some bills would have merely amended the Meat Inspection Act, thereby making poultry inspection merely a part of the Meat Inspection Act. Other proposals would have placed administration in the Poultry Division of the Agricultural Marketing Service. In the course of the extensive hearings and consideration given to this legislation, the committee rejected those proposals that poultry inspection should be combined with red meat inspection and carried out under the Meat Inspection Division of the Agriculture Research Service.

There are many reasons which prompted the committee in its belief that poultry inspection could probably best be administered in the Poultry Division of the Agricultural Marketing Service. The committee recognized that there are substantial differences between poultry and red-meat animals and that their production, distribution and marketing channels are entirely different and that they are commodities which compete directly with one another. Under these circumstances, it was determined that an inspection program which would make the poultry program a mere appendage of the red-meat program, which had been developed to meet the peculiar circumstances surrounding the production and distribution of red-meat animals, would not be satisfactory for poultry. Poultry today is a major segment of our agricultural economy. It is the third largest producer of cash farm income and accounts for about 11 percent of the gross income from all agriculture. The Poultry Division of the Agricultural Marketing Service conducts many other activities which are essential and necessary to poultry producers. These activities include egg inspection, the development of standards of quality and grades, marketing research activities, and section 32 and other programs affecting poultry. To have taken the poultry-inspection program out of the Poultry Division and placed it elsewhere would have weakened the Poultry Division and consequently the activities which it performs. Instead of promoting economy, it would make for inefficiencies because the same personnel which supervise these other activities will also supervise the poultry-inspection program. Another factor which the committee recognized in placing poultry inspection in the Agricultural Marketing Service is that this Service carries out cooperative programs with State departments of agriculture, a practice which is not followed by the Meat Inspection Division of the Agricultural Research Service.

It was clear to the committee from the testimony of the Department of Agriculture that, unless a specific directive were written into the bill requiring the Secretary to carry out the act under the Meat Inspection Division, it would be carried out separately from meat inspection and under the Agricultural Marketing Service.

The Poultry Products Inspection Act—Public Law 85–172—provides in subsection 4 (k):

> The term "inspection service" means the official Government service within the Department of Agriculture designated by the Secretary as having the responsibility for carrying out the provisions of this act.

The rejection of the bills which would have placed the poultry inspection program in the Agricultural Research Service and the definition of the term "inspection service" as contained in the bill which was enacted constituted an affirmative determination by the committee reporting the bill and of the Congress that the inspection service should continue in the Agricultural Marketing

Service—not in the Meat Inspection Division of the Agricultural Research Service. It was determined that these two operations should be kept separated in the Department of Agriculture and that poultry inspection should continue to be carried out under the Agricultural Marketing Service. The Secretary of Agriculture, however, was given authority to review the entire matter and to place it in the agency in the Department which in his opinion could best carry out the objectives of the act.

The Poultry Division of the Agricultural Marketing Service has developed poultry inspection procedures during the last 25 years under the voluntary inspection program. This agency is manned by highly trained competent personnel with long experience in poultry. It has a record of poultry inspection experience and achievement which is unequaled, and it was obvious to the committee that it was the best qualified agency to carry out the mandatory inspection program.

Since the enactment of this law and pursuant to the provisions thereof, the Secretary of Agriculture has taken formal administrative action and has delegated the responsibility for administering the Poultry Products Inspection Act to the Poultry Division of the Agricultural Marketing Service, entirely separate from the meat inspection service as was the intention of the law.

I am happy that the chairman of the Agriculture Subcommittee on Appropriations has clarified the statements contained in the committee report, because I am sure that he recognizes the need and necessity for maintaining a poultry inspection division which is not overshadowed by or subordinated to red-meat inspection. These statements together with the legislative history of the Poultry Products Inspection Act will, I believe, again serve to make it clear that it is the intention of the Committee on Agriculture that the inspection program continue to be administered by the Poultry Division of the Agricultural Marketing Service.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. HARRISON].

Mr. HARRISON of Virginia. Mr. Chairman, I appreciate and I am happy to concur in the statement of my colleague from Kentucky, the chairman of the Subcommittee on Poultry of the Committee on Agriculture. His statement makes it quite clear that existing law requires that poultry inspection be carried out by the Poultry Division of Agricultural Marketing Service. I also appreciate the clarifying statement of my colleague from Mississippi the chairman of the Agriculture Subcommittee of the Appropriations Committee that in reporting the appropriation bill it was not the intent of the committee to place poultry inspection under the Agricultural Research Service.

If there were the least doubt as to either of these propositions I would offer an amendment to the bill to separate the appropriation for meat inspection and poultry inspection. This, however, I conceive now to be unnecessary in view of the clear provision of the law placing the administration of the Poultry Products Inspection Act in that service within the Department of Agriculture which the Secretary has "designated for that purpose" namely the Poultry Division of the Agricultural Marketing Service. It is, therefore, clear that the funds appropriated by the bill for carrying out the provisions of the law relating to Federal inspection of poultry will be available for financing the cost of the poultry inspection program conducted by the Poultry Division of the Agricultural Marketing Service, as there is no other provision of law which authorizes it to be administered elsewhere.

I concur in the reasons stated by my colleague from Kentucky as to the necessity of maintaining poultry inspection completely separate from the red meat inspection program.

In the interest of clarity, it might be more advisable if the items for meat inspection and poultry inspection were separated. However, I deem the language is not vital in view of the fact that the bill requires the expenditures should be made in accordance with law, and the basic law does not provide for poultry inspection by Agricultural Research Service.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. McGOVERN].

Mr. McGOVERN. Mr. Chairman, my native State of South Dakota has been hard hit by both the agricultural and the industrial part of the recession. The Benson policies have badly hurt our farmers. Other administration policies have triggered industrial unemployment. Today, we are considering another failure, which may bring further dangers to economic welfare of our farmers and workers. I am talking about the meat and poultry inspection appropriation provided in the Department of Agriculture appropriation bill now before us.

If no other funds are approved for meat inspection, but the amount provided in the bill, I very much fear that the livestock and meatpacking industry will be further injured. The shortage of meat inspectors has already caused instances of curtailments in meat production in some parts of the Nation. These curtailments will necessarily increase in numbers and duration unless an adequate number of inspectors are added to the staff of Meat Inspection Division.

No meat may be slaughtered without the supervision of a meat inspector. Therefore, when sufficient inspectors are not available for work in slaughtering plants, the number of livestock killed must be reduced. This carries the danger of higher meat prices for the consumer, lower prices for livestock for farmers, more unemployment for workers and reduced profits for meatpacking firms.

The appropriation bill we are considering does not banish these dangers. On the contrary, it brings them closer. For meat inspection, this bill would provide funds for the addition of only one-third of the new inspectors needed.

I do not say this in criticism of the Appropriations Committee or its Agriculture Subcommittee. Considering the appropriations request sent to it by the Eisenhower administration, I believe the committee has done the very best it can. It has approved in full the total amount estimated by the administration for meat and poultry inspection for fiscal year 1959.

The administration must take the blame for the inadequacy of the inspection budget. It has not taken the needs of consumers, farmers and workers into consideration in these programs any more than it has on so many others. It was cowed by the pressure for deep budget cuts, which was brought to bear on all of us last year. And the administration caved in.

We remember all too well President Eisenhower's remarks that domestic programs must be cut to make up for the extra defense spending. This is the result.

The administration's estimate for meat inspection was some $2 million below what it should have been. Instead of more than $19 million, it asked $17,326,000.

But this dismal picture of too little began to change yesterday—I hope not too late.

I am told that Secretary Benson, in answer to a question, told the Senate Agriculture Appropriations Subcommittee that the Bureau of the Budget is now considering a more than $2 million supplementary appropriations for the meat inspection program. This is indeed good news. Consumers, farmers, workers, and the packinghouse industry may get a break yet.

In the appropriation bill, meat inspection and poultry inspection are integrated. I believe this to be a good and wise move by the Agriculture Appropriations Subcommittee. Since the qualifications for both inspection jobs are the same, these jobs should actually be interchangeable when the need arises without the redtape involved in the borrowing of one division from another.

This flexibility should be of great help to the poultry inspection program. Members of the Appropriations Committee have told me that the exact needs of this program are not as easily determinable now as those for meat inspection. This is because poultry inspection is new and will not go into full operation until January 1, 1959.

The appropriation bill provides only $6,500,000 for the operation of poultry inspection in fiscal year 1959. Some $7 million have been suggested by experts as its minimum needs. The bill would, therefore, leave poultry inspection $500,000 short.

But with consolidation of meat and poultry inspection and the approval of a supplementary appropriation, this problem would be solved. Such extra funds as are necessary for poultry inspection would, undoubtedly, be made available to it.

In short, the supplementary appropriations for a combined inspection division would solve the problems of both the meat and poultry inspection programs.

I, therefore, urge the administration not to repeat its pennywise, pound-foolish mistakes of the past. I hope the

Bureau of the Budget will quickly send to Congress a request for supplementary appropriations.

And I urge the Agriculture Appropriations Subcommittee to approve these supplementary funds and allow us in the House to act on them swiftly.

In view of the present economic crisis, our Nation—and particularly the States in which livestock raising and slaughtering is vitally important, as in South Dakota—cannot afford unneeded production curtailments in a great industry. Also, we owe it to the consumers of our Nation that adequate inspection is available for meat and poultry, so that they can truly have the protection which they expect.

AN APPEAL TO SAVE THE MEAT INSPECTION PROGRAM

The meat inspection program is now in the greatest crisis of its half-century existence. This Federal service, which has earned the respect of every group in American life for its steadfast and effective protection of the consumer and livestock producers, is already unable to fulfill its job and is in danger of deteriorating further.

In recent years, appropriations have not kept pace with the increase in the Meat Inspection Division's workload, which rose with continuing increases in the number of animals slaughtered and the decentralization of the meat industry. The Division has shifted its employees back and forth; borrowed veterinarians from other sections of the Department of Agriculture and taken other temporary expedients to meet the severe shortage of inspectors.

But now this system of patchwork is reaching the breaking point. Last year, some of our organizations reported to Congress instances of slowdowns in meat production in some meat plants in 18 cities because insufficient inspectors were available. Now, this problem has worsened. The 1957 slowdowns lasting a few hours have now increased 20 and more percent cuts in slaughtering lasting a week at a time in some plants.

The consequences are serious. They are: A definite threat to consumer protection, further cuts in farmers' incomes, more layoffs in packinghouse workers' jobs, and further reduction in meatpacking firms' profits.

Unfortunately, the President's budget for the fiscal year 1959 promises no improvement. It actually carries a request for $1,392,000 less than the budget of fiscal year 1958. The $17,326,000 requested in the fiscal year 1959 budget would restrict the Meat Inspection Division to a staff even smaller than it maintained in the current fiscal year. This is blatantly inadequate.

Actually, the Division needs an increase of 412 inspectors. This is apparent from the following: In fiscal year 1957, the Division had 3,023 employees. For fiscal year 1958, it demonstrated the need for 192 more employees, but funds were not made available. In fiscal year 1959, another 3 percent increase in meat plants needing inspection is expected and a 1.5 percent increase in inspectors, or 48 additional inspectors, will be required. Therefore, the Meat Inspection Division, in order to carry out its functions adequately, must have 3,263 inspectors (3,023 plus 192 plus 48). But the Division will have only 2,851 inspectors on July 1, 1958.

The Meat Inspection Division, therefore, needs an appropriation for fiscal year 1959 of $19,202,184, not of $17,326,000, as the budget indicates.

We firmly believe such an appropriation imperative if the meat inspection program is to be saved. Economy in Government is one thing; pennypinching, which endangers the health and livelihood of tens of millions of Americans, is another. We urge the administration to change its budget estimate. We urge Congress to appropriate the truly needed amount of $19,202,184. The health and economic welfare of consumers, farmers, packinghouse workers, and meatpacking industry are at stake.

Thomas J. Lloyd and Patrick E. Gorman, president and secretary-treasurer, Amalgamated Meat Cutters and Butcher Workmen (AFL–CIO); Radford Hall, executive secretary, American National Cattlemen's Association; Homer R. Davison, president, American Meat Institute; James G. Patton, president, The National Farmers Union; Herschel D. Newsom, master, The National Grange; John A. Killick, executive secretary, National Independent Meat Packers Association; Dr. R. A. Hendershott, secretary, United States Livestock Sanitary Association; E. F. Forbes, president and general manager, Western States Meat Packers Association.

Mr. WHITTEN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Idaho [Mrs. PFOST].

Mrs. PFOST. Mr. Chairman, I rise to stress again the importance of instituting sound soil- and water-conservation practices in all parts of this country. I am interested, of course, in seeing that they are employed particularly in my State of Idaho and the Pacific Northwest in general.

Such practices in the area could be greatly improved by the establishment of a soil and water conservation research laboratory similar to those now operating in other parts of the country. A report on the urgent need for such a laboratory has recently been prepared by the National Association of Soil Conservation Districts in the States of Oregon, Washington, Idaho, and Nevada.

Funds for this laboratory were not included in the Agriculture Department's budget requests, and are not in the bill before us today. It is estimated that the initial cost of a laboratory would be about a million dollars, which would cover the cost of greenhouses, other buildings and soil processing facilities. An additional million dollars will be needed later, on a recurring basis, to support personnel and operating expenses for the laboratory, and for a field program in the Northwest. Funds would be divided equally between soil- and water-research programs, for dry farm lands, range lands and irrigated lands.

It is my sincere hope that the other body will write into this bill $1 million to launch the laboratory in the fiscal year 1959, and that the House conferees will be willing to accept the sum in the conference version of the bill.

There is no question about the mounting need for a soil- and water-research laboratory in the Pacific Northwest. This area is in many ways an agricultural frontier. Its proper development is most important in planning future food production to meet our expanding population. Thousands of acres have been brought under water in the Pacific Northwest in the last quarter of a century—and vast areas of virgin lands remain to be irrigated. The rapid development of some of the irrigation projects, and the resultant drainage, water- and soil-management problems that have arisen, make the establishment of a Northwest water- and soil-conservation laboratory of vital necessity.

Soil and water laboratories in other sections of the country have made notable contributions to moisture conservation, erosion control and soil fertility practices in their area. Groups of scientists can naturally work best as teams on these various problems and their fundamental findings can be put to use wherever problems exist.

A 1954 United States Department of Agriculture report on the Columbia River Basin pinpoints some of the other problems in the area. The report stresses that many towns, farms and even some large cities are so located that they suffer flood damage during the occasional high streamflow, and that proper treatment and management of the land on the watersheds could help control these floods. Water conservation and control are inseparable parts of good land management.

The plan for a Pacific Northwest laboratory grew out of an inventory of the problems of over 200 soil conservation districts. At first the idea was opposed by agricultural experiment stations and the land-grant colleges of the area, but most of them are now enthusiastically supporting the proposal. I have a telegram in favor of the laboratory from Dr. D. R. Theophilus, president of the University of Idaho, and Dr. James E. Kraus, director of the agricultural college and experiment station at the university.

One of the most persuasive arguments I have read on the importance of appropriating the funds for this laboratory was made by Mr. Don G. Fredericksen, area vice president of the National Association of Soil Conservation Districts, and one of the originators of the laboratory idea. Mr. Fredericksen says:

We are aware of the urgency of stepping up the Nation's missile program and the pressure Congress is under to adjust to the national program to meet the expanding need. But from our findings we feel that a soil and water laboratory for the Northwest, similar to those authorized in the last session of Congress for other sections of the country, is urgently needed. It will not make too much difference how many missiles we produce if we do not have the soil and water resources to produce the food and fiber for our expanding population. Unless we get information to the farmer on how to control tremendous losses in soil and water in this area, many of our farmers will be forced out of business.

Mr. Chairman, I hope that this Congress will appropriate the necessary funds to make the Pacific Northwest Soil and Water Research Laboratory a reality.

Mr. WHITTEN. Mr. Chairman, I yield the remainder of the time to the gentleman from Minnesota [Mr. MARSHALL], a member of the committee.

Mr. MARSHALL. Mr. Chairman, my service on the Agricultural Appropriations Subcommittee is enjoyable principally because it gives me an opportunity to work with Members whom I am proud to call not only colleagues, but friends. We have our differences of

opinion but never do we indulge in personalities. We respect each other's viewpoints and are all interested in the work we are doing.

We have in JAMIE WHITTEN an able and alert chairman. His wide knowledge of law and money matters continues to amaze me. He combines this with a practical balance that makes him one of the best-informed men on agriculture in the country today.

Anyone who knows WILLIAM NATCHER admires him for his courteous and gentlemanly manner in the committee room and on the floor of the House. His interest in agriculture grows from a deep understanding of its importance in American life.

This year we welcomed a new member to our subcommittee, ALFRED SANTANGELO. I have often said that the agricultural bill should be called the consumers' bill. Our colleague from New York is making a real contribution and has demonstrated his desire to work on a subcommittee on which hard work is value. It is heartening to have a representative of a city district talk in terms of food and people. It has been a pleasure to work with him and we hope that he will continue to serve with us.

On the minority side is a friend of many years' standing, CARL ANDERSEN, a true friend of farmers. He is a tireless worker for the best interests of farm people.

Another good friend and an able and industrious member of the subcommittee is WALT HORAN. His sense of fairness and earnest desire to do the right thing is always evident.

CHARLES VURSELL, another fine member of the subcommittee, is a kindly man who sincerely wants the Department of Agriculture to make a good record.

All of us, of course, are hopeful that the situation in which agriculture finds itself today will improve. It is our hope that the work we have done on this bill will be a constructive contribution toward achievement of that goal.

Mr. Chairman, we are considering the appropriation for what is probably the most important single industry in the United States. A few simple illustrations will show this.

Agriculture produces nearly two-thirds of all the raw materials in this country. Farmers use more crude petroleum than any other industry. Farmers use—or have used in recent years—as much steel as goes into the production of passenger cars. Our rural areas consume some 25 billion kilowatt-hours of electric power, due primarily to the success of the rural electrification program.

FARM DOLLAR MULTIPLIES

We have had testimony that the farm dollar is multiplied 5 to 7 times. The Department of Agriculture had figures a few years ago showing that more than a third of the employed workers in our country had jobs because of agriculture and the industries which rest upon farming.

In 1954 the Bureau of the Census published a special study entitled "Raw Materials in the United States Economy: 1900–52." It shows that agriculture in 1952 supplied 65 percent of the raw materials used in the United States. It shows that this percentage figure has remained high over a period of more than half a century. I am sure you will be interested in a few highlights from this study, shown in the following table:

TABLE 1.—*Percentage distribution of production of raw products in the United States*

	1952	1930–39	1920–29	1900–1909
Foods	52.3	57.5	54.1	54.2
Nonfoods produced by agriculture	12.6	11.9	13.1	15.4
Total agriculture	64.9	69.4	67.2	69.6
Mineral fuels (coal, oil, gas)	20.4	17.2	16.8	10.1
All other minerals	8.4	5.7	6.3	5.5
Forest products	5.5	6.6	8.8	13.7
Fishery and wildlife products	.7	1.0	.8	1.1

Source: Washington Farm Letter, Mar. 1, 1957.

The Members of this body can take considerable pride in knowing that they have had a part in making it possible for the agriculture of our Nation to develop to the productive peak it represents today.

COMMITTEE HAS BEEN GENEROUS

It is the function of your Committee on Appropriations to examine the financing of this great industry, and to see that its needs are met adequately. This we have done, and done generously—even sometimes over the objections of those who are responsible for administering programs for the farmer and the Nation.

It can also be said, Mr. Chairman, that this committee and this body can and has exerted a measure of influence upon those whose duty it is to see that the interests of agriculture are properly cared for. Unfortunately, this influence has been limited. Once the committee has recommended certain appropriations and certain steps in the handling of them, and once the Congress has approved funds, it is then up to the persons in charge of programs to carry them out in the wisest way they know how. We in this body can only advise.

ADVICE GOES UNACCEPTED

Mr. Chairman, it is apparent that much of our advice has not been accepted. It is often difficult to influence a stubborn man whose mind is set upon a course. This is evidenced by what has happened to the farmer in relation to other important major groups.

In the 5 years since 1952 national income has increased more than one-fifth. Disposable personal income, which is the amount available for spending, has increased more than one-fourth. Corporate profits after taxes have gone up more than 30 percent. Average weekly earnings of production workers in 1957 were a fifth greater than in 1952.

TABLE 2.—*National income up 23 percent* [1]

Year:	*Income (billions)*
1952	$290.2
1953	302.1
1954	299.0
1955	324.1
1956	343.6
1957	358.0

Increase, 23.3 percent.

Increase since 1952, 23.3 percent.

[1] Source: Department of Commerce.

TABLE 3.—*Disposable personal income up 26.6 percent* [1]

Year:	*Income (billions)*
1952	$237.4
1953	250.2
1954	254.5
1955	270.2
1956	287.2
1957	300.6

Increase, 26.6 percent.

[1] Source: Department of Commerce.

TABLE 4.—*Corporate profits after taxes—up 24 percent* [1]

[In billions of dollars]

Year	Before taxes	After taxes
1952	$35.9	$16.1
1953	37.0	16.7
1954	33.5	16.0
1955	42.5	21.0
1956	43.0	21.0
1957	41.0	20.0
Increase	5.1	3.9

[1] Preliminary estimate by Council of Economic Advisers.

Source: Department of Commerce.

TABLE 5.—*Average weekly earnings of production workers* [1]

Year:	*All manufacturing*
1952	$67.97
1953	71.69
1954	71.86
1955	76.52
1956	79.99
1957	82.39

Increase, $14.42.

[1] Source: Department of Labor.

During this period the population of our country has shot up by more than 14 million persons. It has increased at an average rate of 2.6 million persons a year, and the increase is continuing steadily.

FARMERS OUGHT TO BE DOING WELL, BUT—

The amount of food eaten per person also has increased. Our agricultural exports, aided by appropriations from the Congress, have increased 88 percent since 1952. All this should indicate that agriculture is in a very favorable position. But as all of you know, such is not the case. While other major groups in the country have—until recent months—generally prospered, the farmer has been the victim of a vicious price and income squeeze.

TABLE 6.—*More mouths to feed*

Year:	*U. S. population* [1]
1952	157,028,000
1953	159,636,000
1954	162,417,000
1955	165,270,000
1956	168,174,000
1957	171,229,000

Increase, 14,201,000.

[1] Source: Department of Commerce, Bureau of Census.

TABLE 7.—*More food per person—index of food consumption per capita (1947–49=100)* [1]

Year:	
1952	100
1953	101
1954	101
1955	102
1956	103
1957	102

Increase, 2 percent.

[1] Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. I, p. 54.

TABLE 8.—*Exports higher—value of farm exports at 1952–54 prices* [1]

Year:	*Millions*
1952	$2,491
1953	2,472
1954	2,644
1955	3,100
1956	4,717

Increase, 88 percent.

[1] Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. II, p. 924.

TABLE 9.—*Farm costs up; farm income down* [1]

[In billions of dollars]

Year	Gross farm income	Production expenses	Realized net farm income
1952	$36.7	$22.5	$14.3
1953	35.1	21.2	13.9
1954	33.7	21.5	12.2
1955	33.2	21.6	11.6
1956	34.4	22.3	12.1
1957	34.4	22.9	11.5
Change	−2.3	+.4	−2.8

[1] Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. I, p. 55.

Mr. Chairman, February 11, 1958, marked the fifth anniversary of the delivery of the first speech, after taking office, made by our present Secretary of Agriculture. This is the famous "St. Paul Speech" made in my home State.

It is a speech which shocked many people at that time. It shocked them because it launched the agricultural arm of our United States Government upon a course which has led agriculture to its present state.

A RUINOUS POLICY IS BORN

In this speech was enunciated for the first time a policy of breaking down the existing programs of the farmer without adequate provision for replacement. It was a policy—whether accomplished by intent or through ignorance of the consequences makes little difference now—which caused the farm price structure to crumble.

This was done in the name of freedom for the farmer; in the name of economy of operation; in the name of greater efficiency of administration. It was done under the banner of a moral crusade to raise the sights of agriculture above the dollar sign.

Mr. Chairman, it may serve a useful purpose to use this speech as a text in today's discussion. I am now reading from the speech made by the Secretary, as he put his hands to the plow for the improvement of agriculture, 5 years ago:

It seems that man must get his feet into the soil—

The Secretary said then—

to keep sane. In any event, no other segment of our population knows so well that "as ye sow, so shall ye reap."

There is no easy road to the accomplishment of turning America back from an era of unbalanced budgets, of free spending, of inflation, of taxation that had reached confiscatory levels, of giveaway Government programs that were steadily and surely undermining the moral and spiritual values of our people. But such a program is in keeping with the thrift and wise financial management that is so characteristic of the people of rural America. * * *

The United States Department of Agriculture has acted without delay. We had already effected a regrouping of agencies for more effective administration. February 5 our staff and agency heads met to start immediately a complete review of all programs and budgets. We have a splendid staff in charge, and they are ready to give strong leadership in seeing that agriculture does its share in accomplishing a balanced budget.

It will be our effort to give even more prompt and efficient service to you and the agricultural interests of the Nation—and at less cost. We believe it can be done.

As we move forward, advisory groups and committees will be used to bring the Department of Agriculture the best judgments of farmers, farm organizations, and industrial leadership.

Our agricultural policy should aim to obtain in the market place full parity prices of farm products and parity incomes for farm people so that farmers will have freedom to operate efficiently and to adjust their production to changing consumer demands in an expanding economy. This objective cannot be assured by Government programs alone. It can be achieved only with a steady level of prices, high employment and production, and rising output per worker in our total national economy.

The most important method of promoting the longtime welfare of farm people and the Nation is the support of adequate programs of research and education in the production, processing, marketing, and utilization of farm products, and in problems of rural living.

The development of modern agriculture which has made possible these great achievements has placed the family farm in a vulnerable economic position because farm prices and income rise and fall more rapidly than farm costs. Hence, the guarding of farm levels of living requires a program of storage and price supports to help to assure stability of income.

Price supports should provide insurance against disaster to the farm-producing plant and help to stabilize national food supplies. But price supports which tend to prevent production shifts toward a balanced supply in terms of demand, and which encourage uneconomic production and result in continuing heavy surpluses and subsidies, should be avoided.

The principles of economic freedom are applicable to farm problems. We seek a minimum of restrictions on farm production and marketing to permit the maximum of dependence on free-market prices as the best guides to production and consumption.

Farmers should not be placed in a position of working for Government bounty, rather than producing for a free market.

In the administration of this Department, the guiding purpose will be to strengthen the individual integrity, freedom, and the very moral fiber of each citizen.

God help us to raise our sights beyond the dollar sign, beyond material things. May we have the courage to stand up and be counted, to stand for principle, for those noble concepts and ideals which guided the Founding Fathers in establishment of this great land. Thank God for the promises that have been made regarding the future of America. I hope and pray we will merit and realize the fulfillment of these promises.

That is the end of the quotation from the Secretary's speech in St. Paul. I fear it is not the end of the policies outlined at that time. If there is one quality in the Secretary that stands out above others it is that of consistency. Mr. Benson meant what he said 5 years ago. He still means it.

SECRETARY'S SPEECHES COST MONEY

Since that day the Secretary has delivered more than 186 speeches—a little over 3 a month. Testimony from the Department of Agriculture taken by our committee shows that between January 1953, and September 1, 1957, the Secretary made 186 speeches. All but 19 of these were distributed by the Office of Information, the distribution ranging from 400 to 6,700 per speech. Distribution costs were estimated by the Office of Information at $41,178.86, or $8,235.77 a year for the period of 4 years, 8 months. Average cost was $246.58 per speech. This includes all costs, except postage. This information is presented by the Department beginning on page 196 of our hearings.

BENSON ADDS 17,000 EMPLOYEES

Mr. Chairman, it is interesting to note some of the things that have happened since the Secretary made his first speech in relation to the content of the speech itself. Mr. Benson said 5 years ago, and I again quote:

We had already effected a regrouping of agencies for more effective administration.

Our committee hearings show that since that time the Department of Agriculture staff has increased by more than 17,000 persons. No doubt the increase was justified. If the need on the part of farmers for assistance in checking falling income is any criterion, there can be no question about it. We can only wish, Mr. Chairman, that the addition of employees had been more effective. The following table, taken from figures submitted by the Department of Agriculture on page 12 of our hearings, shows the increase in personnel:

TABLE 10.—*17,000 more U. S. Department of Agriculture employees*

Fiscal year	Average annual positions [1]		
	Permanent	Other	Total
1953–54	53,348	10,342	63,690
1954–55	53,489	11,005	64,494
1955–56	56,729	12,978	69,707
1956–57	60,727	13,736	74,463
1957–58	66,256	14,632	80,888

[1] Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 1, p. 12.

BENSON NAMES 65 ADVISORY GROUPS

Again, quoting from the Secretary's maiden speech, Mr. Chairman, he said:

As we move forward, advisory groups and committees will be used to bring the Department of Agriculture the best judgments of farmers, farm organizations, and industrial leadership.

It cannot be said that the Secretary has failed to live up to this commitment. On page 872 of our hearings the Department of Agriculture submitted the following information:

Public advisory committees of major importance number 65. This figure includes the National Agricultural Advisory Commission, which reviews USDA policies and program administration in consultation with the Secretary of Agriculture.

The Department representative further stated that members of the National Advisory Commission receive travel expenses and per diem, amounting last year to "substantially $10,942."

CONGRESS GENEROUS ON RESEARCH

Returning to the Secretary's initial speech, he said, and I quote:

The most important method of promoting longtime welfare of farm people and the Nation is the support of adequate programs of research and education in the production, processing, marketing, and utilization of farm products, and in problems of rural living.

Mr. Chairman, the Congress has been generous in its support of these programs, as the records of the Department of Agriculture show. Our report shows that the research funds of the Agricultural Research Service have increased by more than 77 percent since 1952. Appropriations for State experiment stations have increased over 140 percent during the same period. Payments to the States for Federal-State extension service have increased nearly 80 percent since 1952.

TABLE 11.—*Farm output up; prices down; costs higher; income lower* [1]

Year	Farm output (1947-49=100)	Prices received (1910-14=100)	Prices paid (1910-14=100)	Net farm income (1952=100)
1952	107	288	287	100.0
1953	108	258	279	97.4
1954	108	249	281	85.5
1955	112	236	281	81.2
1956	113	235	285	84.6
1957	113	242	296	80.9
Change (percent)	+5.6	−16	+3.1	−19.1

[1] Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 1, p. 54.

FULL PARITY, PROMISES BENSON

Five years ago Mr. Benson told the farmers in my State, and again I quote:

Our agricultural policy should aim to obtain in the market place full parity prices of farm products and parity incomes for farm people, so that farmers will have freedom to operate efficiently and to adjust their production to changing consumer demands in an expanding economy * * * We seek a minimum of restrictions on farm production and marketing to permit the maximum of dependence on free market prices as the best guides to production and consumption.

PRICES DOWN; PRODUCTION UP

Mr. Chairman, instead of getting parity, the records of the Department of Agriculture show that prices have gone steadily down. They have averaged 82 percent of parity for each of the last 2 years. Instead of an adjustment in production there has been an increase in production. Instead of income remaining at parity, the income which the farmer must live on—what he has left after paying expenses—has declined more than 19 percent.

Continuing with the policy speech of the Secretary to which he has consistently adhered, I again quote:

The development of modern agriculture, which has made possible these great achievements, has placed the family farm in a vulnerable economic position because farm prices and income rise and fall more rapidly than farm costs.

FOUR MILLION LEAVE FARM

Mr. Chairman, never was a truer statement made. Since Mr. Benson took charge of the Department of Agriculture, nearly 4 million persons have left the farm. We have over half a million fewer farms today than we did in 1952. Even with nearly 4 million fewer persons on farms, the income per person from agriculture has declined, while the income from sources in the cities and towns has increased.

TABLE 12.—*Fewer farmers; fewer farms; but no increase in income*

Year	Farm population [1]	Number of farms [1]	Income per person on farms	
			Earnings from agriculture	Earnings off the farm
	Thousands	*Thousands*		
1952	24,283	5,421	$702	$251
1953	22,679	5,308	665	265
1954	21,890	5,201	660	265
1955	22,158	5,087	614	284
1956	22,257	4,964	601	301
1957	20,396	4,857	684	309

[1] Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 1, p. 55.

NOTE.—In 1948 and in 1951 the per capita earnings from agriculture exceeded the 1952 figure—in 1948, earnings from agriculture were $761; in 1951, $745. Had the 3,887,000 farmers who have left the farm shared in the earnings from agriculture last year, the per capita income from this source would have been $525 per person, rather than $684.

Mr. Chairman, Secretary Benson started telling us 5 years ago that farm price supports should come down in order to prevent the building up of additional surpluses. In his St. Paul speech he said, and I quote:

Price supports which tend to prevent production shifts toward a balanced supply in terms of demand and which encourage uneconomic production and result in continuing heavy surpluses and subsidies should be avoided.

PRICE CUTS DO NOT CUT SURPLUS

The implication of this statement is that if farm price supports were lower, the farmer's products would move more freely into market channels, and surpluses would disappear. The Department of Agriculture's own records show that this is not the case.

Prices of most farm commodities have been going down ever since the present Secretary came into office. Mr. Benson has lowered price support levels as fast as he could. The Department figures submitted at our hearings show that in many instances the lower the price went the more the farmer produced in order to make up the loss.

TABLE 13.—*Reducing price support does not get rid of surpluses* [1]

Crop	1953			1957			Increase
	Support level	Support price	Production	Support level	Support price	Production	
	Percent of parity	*Dollars*	*Thousands*	*Percent of parity*	*Dollars*	*Thousands*	*Thousands*
Corn ... bushel	90	1.60	3,209,896	77	1.40	3,332,535	122,639
Barley ... do	85	1.24	246,723	70	.95	430,737	184,014
Oats ... do	85	.80	1,153,205	70	.61	1,337,790	184,585
Rye ... do	85	1.43	18,894	70	1.18	26,440	7,546
Grain sorghum ... do	85	1.36	115,719	70	1.04	526,528	410,809
Soybeans ... do	90	2.56	269,169	70	2.09	491,421	222,252
Dairy products ... 1,000 pounds			121,761,000			127,600,000	5,839,000
Manufactured milk ... 100 pounds	90	3.74		82	3.25		
Butterfat ... pound	90	.673		79	.586		

[1] Hearings, Department of Agriculture appropriations bill, 1959, pt. 3, pp. 1690-1691.

Mr. Chairman, again our Secretary of Agriculture started lecturing to us 5 years ago about agricultural subsidies. He has been talking about getting out of the subsidy business ever since. In his first policy speech he said, and I again quote:

Farmers should not be placed in a position of working for Government bounty rather than producing for a free market.

GOVERNMENT PAYMENTS UP

Again, I would like to refer to the record of subsidy payments filed with your subcommittee on page 65, part 1, of our hearings. The Department figures show that last year farmers received more than $1 billion in Government payments. This is a record amount. For every $10 net realized by farmers last year, $1 was received in the form of a Government payment. Without these payments, the farmer would be in a worse situation today than he is.

TABLE 14.—*Government payments to farmers*

[Millions of dollars]

Year:	*Total payments*
1939	763
1946	772
1947	314
1948	257
1949	185

TABLE 14.—*Government payments to farmers*—Continued

[Millions of dollars]

Year:	*Total payments*
1950	283
1951	286
1952	275
1953	213
1954	257
1955	229
1956	554
1957 [1]	1,016

[1] Preliminary.

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 1, p. 65.

In the present fiscal year the Department of Agriculture is spending nearly half as much as the net realized by farmers from the sale of their crops.

MORE BENSON SPENDS, LESS FARMERS GET

There appears to be a connection between the amount the Department of Agriculture spends and the amount of net income farmers receive. The more Mr. Benson spends, the less farmers get.

The cost of running the Department of Agriculture has increased 82.6 percent since the Secretary's first full year in office. The realized net income of farmers during this same period has declined 17 percent.

TABLE 15.—*Benson's spending in a year now equals nearly half a year's net realized farm income* [1]

Fiscal year	USDA expenditures (millions)	Calendar year	Realized net farm income (millions)	Percent spending of farm income
1953–54	$2,915	1953	$13,880	21
1954–55	4,636	1954	12,190	38
1955–56	5,177	1955	11,581	44.7
1956–57	5,006	1956	12,070	41.5
1957–58	5,327	1957	11,532	46.2
Total	23,061		61,253	[2] 37.6

[1] Hearings, Department of Agriculture appropriations bill, 1959, pt. I, p. 54, and Bureau of the Budget.
[2] Average.

Mr. Chairman, any comment concerning the Secretary's reference in his maiden policy speech to Paul's letter to the Galatians, in which Paul said, "Whatsoever a man soweth, that shall he also reap," I leave to my colleagues on the other side of the aisle.

SHARE OF FOOD DOLLAR DOWN

It is unfortunate that the consumer has been unable to benefit from the misfortune of agriculture, Mr. Chairman. As the price of farm products has gone down, so also has the farmer's share of the retail food dollar gone down—from 47 cents in 1952 to 40 cents last year. The marketing margin has increased by the same amount.

TABLE 16.—*The retail food dollar: farmer's share down; marketing margin up*

[In cents]

Year	Farmer's share	Marketing share
1952	47	53
1953	44	56
1954	43	57
1955	41	59
1956	40	60
1957	40	60
Change	−7	+7

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. I, p. 72.

RETAIL PRICES AT NEW HIGH

The housewife today receives little satisfaction from the fact that the farmer is getting a smaller portion of her food dollar. Retail food prices for the last year were at an alltime high. The index of retail food prices for last year averaged 115.4 percent of the 1947 to 1949 average. This was higher even than during the peak of the war period.

TABLE 17.—*Retail food prices an alltime high*

Year:	*Retail food prices (1947–49=100)*
1929	65.6
1930	62.4
1931	51.4
1932	42.8
1933	41.6
1934	46.4
1935	49.7
1936	50.1
1937	52.1
1938	48.4
1939	47.1
1940	47.8
1941	52.2
1942	61.3
1943	68.3
1944	67.4
1945	68.9
1946	79.0
1947	95.9

TABLE 17.—*Retail food prices an alltime high*—Continued

Year:	*Retail food prices (1947–49=100)*
1948	104.1
1949	100.0
1950	101.2
1951	112.6
1952	114.6
1953	112.8
1954	112.6
1955	110.9
1956	111.7
1957	115.4

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. I, p. 71.

TABLE 18.—*The cost of bread*

[In cents]

Year	Retail price of bread	Cost of flour	Farm value of wheat
1952	16.0	3.5	2.6
1953	16.4	3.6	2.5
1954	17.1	3.9	2.7
1955	17.5	3.9	2.7
1956	17.9	3.7	2.6
1957	18.8	3.7	2.6
Increase	2.8	.2	None

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 3, p. 1222.

TABLE 19.—*The cost of milk*

[Cents per quart]

Year	Retail price	Marketing margin	Farm value
1952	23.2	11.3	11.9
1953	22.8	11.7	11.1
1954	22.4	12.0	10.4
1955	22.5	12.3	10.2
1956	23.3	12.7	10.6
1957	24.2	13.3	10.9
Change	+1.0	+2.0	−1.0

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 3, pp. 1224–1225.

TABLE 20.—*Cost of work shirts*

Year	Retail cost	Marketing margin	Farm value
1952	$1.60	$1.33	$0.27
1953	1.56	1.32	.24
1954	1.53	1.29	.24
1955	1.51	1.27	.24
1956	1.62	1.38	.24
1957 [1]	1.67	1.44	.23
Change	+.07	+.11	−.04

[1] Preliminary.
Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 3, p. 1235.

TABLE 21.—*Leading food company profits*

[Dollars in millions]

Year	Profits as a percentage of sales			Totals for 59 companies		
	46 processing companies	5 wholesale distributors	[3] retail chains	Total profits	Taxes	Profits after taxes
	Percent	*Percent*	*Percent*			
1952	3.4	1.6	1.9	$671	$361	$310
1953	4.0	2.0	2.1	797	428	369
1954	3.8	1.9	2.0	781	402	379
1955	4.3	1.7	2.0	896	449	447
1956	4.3	1.9	2.3	969	479	490

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 3, p. 1209.

The housewife should know that while the retail price of bread has gone up an average of nearly 3 cents a loaf since 1952, the farmer received no more for the wheat that went into the bread.

The housewife should know that while the retail price of milk has increased on the average by a cent a quart since 1952, the farm price of milk has decreased by the same amount.

SHIRTS UP—COTTON DOWN

The worker should know that while the retail price of a work shirt has gone up by 7 cents, the farm value of the cotton that went into the shirt has gone down 4 cents.

It is the middleman, not the farmer, that has been getting the increase in retail prices. These facts are all presented by the Department of Agriculture in our hearings, pages 1209 of part 3, pages 1222, 1224, 1225, and 1935.

Mr. Chairman, it is not for me to say whether the moral fiber of our farmers has been toughened by their latest grapple with declining farm prices and incomes.

It is sufficient to say that the effects of the Benson policies, as first announced in his St. Paul speech and adhered to still today, are reflected in the recession with which we are having to cope at the present time. Now the worker and the small-business man have joined the farmer on the economic slide. The farmer has company, Mr. Chairman, but that is not the answer he desired.

EFFECT ON MACHINERY INDUSTRY

More than 5 million persons are unemployed. Still others are working only part time. Business has been hurt. The effect of the decline in farm income is illustrated by a story in the March 26 issue of the Wall Street Journal. The story told how the rural market has fallen off for new tractors and other farm machinery, and how farmers were shopping around for cheaper, used merchandise.

ECONOMICAL FARMERS—AS INCOME LAGS, MANY SHUN NEW MACHINES BUT SCRAMBLE FOR USED UNITS

(By Arlen J. Large)

ARCHBOLD, OHIO.—The hottest market for secondhand farm machinery in more than 8 years is bringing new trouble for companies that sell new equipment.

A J. I. Case dealer in Coopersville, Mich., describes it this way:

"From what I've seen, I'd say 30 percent of the boys who were planning to buy new machinery this year will take used stuff instead. Right now, I can sell four used tractors for every new one."

The strong demand for used machines may also portend a disappointing rural market for shiny new automobiles, electric appliances, and scores of other products. Like many recession-pinched city dwellers today, farmers in growing numbers appear to be shopping around for cheaper, used merchandise.

Mr. Chairman, our Subcommittee on Agricultural Appropriations has made many constructive suggestions to Secretary Benson. Some that he has put into effect have been beneficial. Other recommendations he has seen fit to ignore, even though our committee feels the facts substantiate the recommendations.

It seems to me that the data presented to us by the Department of Agriculture bear out the committee views—particularly as they relate to operations of the Commodity Credit Corporation.

SHOULD STUDY OWN RECORDS

With that in mind, I would like to recommend to the top officials of the Department that they evaluate the information which exists in the files of their study records. Those of us on the farm who have reason to study our own problems go to our State experiment stations and State extension services, and to other branches of our department of agriculture for information. There are plenty of guideposts which point out that the Department of Agriculture and the administration are in trouble with their farm programs. It is surprising that the top officials of the Department do not use the information they have in their own files to cope with these problems.

Mr. Chairman, it is my desire to be as constructive as I can be to help solve the difficult problems of the farmer. I have worked out a proposal which I feel can help, and I wish to present it at this time.

Present farm programs and policies have placed American agriculture in an imbalance in relation to other forces in the economy. They are inadequate because they fail to meet the central fact of modern agriculture; enormous capacity to produce due to modern farm technology. Furthermore, present programs are not geared to the revolutionary changes in food distribution and merchandising.

NATION SUFFERS WITH AGRICULTURE

Farm programs are not only partly adjusted to the changed position of the United States in world affairs, and to world trade so vastly different from even 20 years ago that most of it amounts to state rather than private trading. Continuation of this situation will ultimately force the American farm family into a tightly regulated and regimented system of agriculture or into peonage. The consequences of this are suffered not only by those who till the soil but by the entire Nation. When farmers are forced by poverty to destroy their soil resources, the entire Nation is impoverished and future generations suffer the consequence.

Because agriculture has failed to adjust to these changed conditions, farmers are in the jaws of an impoverished cost-price squeeze. Unless relieved by adequate and realistic measures that are geared not only to the present but made adaptable to changes yet to come, the family farm is doomed.

NEED A MIDDLE COURSE FOR SURVIVAL

The social pattern of agriculture from which has come America's strength will be destroyed within 1 or 2 generations unless present alarming trends are arrested. It is our hope that we will seek a middle course which will prevent either the regimentation or the collapse of American agriculture and which will promote agriculture as a way of life for the families who work the land.

It is our hope that these policies will be adopted which will make it possible for the farm family to survive on the land under a system of free enterprise in which its high degree of ability and efficiency will continue to be an asset to the Nation and the world.

NEED BOLD, NEW CONCEPT

Times call for something more than temporary relief measures. Thinking must be in bold, new, realistic terms, unshackled by old habits of thought. Old programs should be reexamined in light of new situations and the best proven parts incorporated in a new program.

In designing farm legislation, do we begin with the farmer or with the consumer? Either would be proper since the goals ought to be identical and we know that the problems remain the same.

Agriculture should first be viewed in the terms of the entire national economy and especially in relation to other major segments such as labor, business and industry.

SIMILAR TO LABOR 50 YEARS AGO

Agriculture today is in much the same position that labor was 50 years ago and as business and industry were a century ago before businessmen took full advantage of corporate law.

Such labor as was organized at the turn of the century was divided into many craft unions. They had feeble bargaining power somewhat comparable to that of farm commodity organizations today. It took labor 30 years and a depression to obtain enabling legislation through the Wagner Act to get real bargaining power.

SPEEDUP IN AGRICULTURE

Among the similarities between labor years ago and agriculture now is labor's long struggle against piece-rate pay. That was an employer device to get more for less through the speedup. The same is illustrated today in the case of the much-publicized California cotton farmer who boasted how much cotton he could raise at a low rate per pound, thereby demonstrating—so he and the press said—that farmers can produce cheaply and do not need support programs.

BUSINESS HAS PROTECTION

Big business and industry were accustomed to taking great risks in the old days of free competition. It is almost inconceivable that our modern giant firms with their huge aggregations of capital could have developed on the old-time partnership contracts. Businessmen got from Government a long time ago—so long ago that most have forgotten—the legal privilege of organizing corporations in which risk is limited to stock ownership, and the right to combine companies into giant concerns with immense bargaining power in buying and in rationing the market. All this within the antitrust laws.

DEPRESSION PROGRAMS INADEQUATE TODAY

Unlike business and labor, agriculture did not obtain from Government enabling legislation to permit similar use of bargaining power except for cooperative selling and buying. In its desperation after long years of semi-poverty, agriculture had bestowed upon it in time of great depression a group of farm programs that saved the day—but which have proven to be inadequate for the tomorrows.

But unlike business and labor programs, farm programs were and are Government programs—Government financed and Government-operated except to the extent that farmer committees participated in a limited way. It is these programs that have broken down. Labor and business got enabling legislation to achieve bargaining power and to use it for profit. Agriculture got direct aid, which is not only inadequate to meet present and future challenges but is threatened by constant clamoring for reductions in expenditures.

MARKETS FIRST NEED

The problems of agriculture are national problems and their solution is in the national interest. Since it is conceded that the means of abundant production do exist, one of the first concerns should be markets for this production. Those who make use of this production have a vital interest in the availability of foodstuffs, and no program can be successful unless it considers the consumer. Any program must provide safeguards to assure an adequate supply of food.

Consumers will support our program when they realize that their interests have been considered and protected and that farm families are entitled to the same protections afforded under the law to other groups in our Nation. Small business will be protected as farmers will not need to look outside of their community for those things used in the operation of their farms.

AGRICULTURE NEEDS BARGAINING POWER

Agriculture must have enabling legislation to get needed bargaining power. It should not ask Congress, except as stopgap relief, for any greater privilege than was long ago legally given to business, labor, and industry.

Agriculture should be given legal authority to create the tools and mechanisms to assure farm families of the same benefits now enjoyed by business and labor. These tools should be used by farmers through elected farmer committees. Programs should be genuine farmer-operated programs, not Government programs nor make-believe farmer programs.

FIRST NEED ENABLING LEGISLATION

Government should help first through enabling legislation and then by furnishing technical help and guidance. It might also help, especially in the early stages in order to give farmers assurance and confidence, to underwrite prices and/or income. This would be relatively inexpensive if the programs are reasonably effective; if not, they should be abandoned or revised.

Such a program, a farm-gate regulation of marketing, is practical if farmers are ready to accept the responsibility and the individual and collective self-discipline required to regulate their marketings and curb present wasteful production. The feasibility of the program depends on farmer acceptance, commodity by commodity.

There is much evidence that farmers are prepared for drastic measures. They are probably more willing to accept tight controls, provided the rewards are commensurate with the sacrifices, than are most Members of Congress.

LET FARMERS DECIDE

The programs to be outlined proposed to put the matter up to farmers to decide through referendums. Let Congress provide the enabling legislation, then leave it to farmers to use it, decline to use it, or wait before trying it.

Acceptance would depend not only on the basic soundness of the program but upon how it is presented to farm families. A good educational program would be required, conducted by people who believe in farmers and their need for a program.

The basic assumptions in the proposed program are:

First. Production and marketings based on national need, including domestic and export requirements at prices fair to consumers and profitable to farmers.

Second. Administered farm prices set yearly by a national farm board made up of farmers with consumer representation. Farm costs and parity would be used as a guide, as would also employment levels and consumer incomes. This would include marketing quotas sufficient for domestic and export use. There is precedent for this procedure as the most profitable industries and the best organized labor unions operate by administered prices and wages.

Third. Production and marketing quotas based on bushels, pounds and bales—not acres. Among other things this would make it possible for the farm family to hold down its annual cash outlay and reduce their risk since it would not be necessary to overcrop the land as has been the experience with acreage allotments. Farmers would be permitted to carry over any excess production to the next marketing year and apply it to that year's marketing quota. The same would be true if he underproduced as he would be permitted to add the amount he did not produce to his next year's marketing quota.

Fourth. Write off CCC stocks as bought and paid for and convert them into a national stockpile to be disposed of only under specific circumstances as outlined by Congress. Do not permit them to any longer depress current farm prices.

Fifth. Decide what is the national need in exports and what farmers can sell in export without subsidy programs. Any excess above that farmers can sell in export without subsidy programs and which is needed in furtherance of United States foreign policy should be charged to the general public and paid for out of the Treasury. Had there been no surpluses, the United States would have sought increased production in order to meet its obligations as a leader in a hungry world. Farmers should no more be asked to produce at cut rates for food and fiber as a part of our national defense program than should manufacturers of airplanes and missiles.

Sixth. In developing a soil conservation program, decide what is in the farmer's immediate monetary interest and what is required by the people as a whole who need land conserved for future food. The proposed program will necessarily result in more good, tillable, idle land than the United States has ever had. Someone must take care of it and not let it run down. In the national interest its fertility should be increased. That someone must be the man on the land. But who should bear the cost? Obviously some of the expense should be borne by the present generation of farmers and their heirs. Even if they don't use it, the value of their farms will decrease if the land deteriorates. However, a large part of the expense of soil conservation for posterity should be borne by the general public through taxes. To survive as operators of family-type farms, farmers must become as self-disciplined as labor union members and as realistic as big business. The proposals we have discussed have that effective and realistic approach.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman.

Mr. FULTON. Representing a metropolitan area, the question in my mind arises, why do those figures differ so much from the figures just released by the Department of Agriculture and the Department of Labor? Where does the gentleman get his figures? I am open-minded about this matter.

Mr. MARSHALL. I am glad the gentleman raised that point, because I had intended to make that clear in my remarks. All of the figures that I shall put in the RECORD come from four sources: The Department of Agriculture, the Department of Labor, the Department of Commerce, and the Bureau of the Budget.

That is where we get our figures. These figures I am discussing come from the Department of Agriculture. They are in the record of our hearings. They were discussed in the record of our hearings.

Mr. FULTON. As of what date are those figures?

Mr. MARSHALL. They were the latest available figures which were presented to us this year in the hearings.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. ARENDS. There are two questions that come to mind at the moment. If it is true, as the gentleman says, that farm income is down and consumer prices are up, the question is: Why?

Mr. MARSHALL. There are several reasons for that. I think one of the biggest reasons is also the information which we receive from the Department of Agriculture. That is shown on this table which I am putting in the RECORD. It shows the profits of the leading food companies. They took 59 companies and determined what the profits were after taxes. In 1952, there were $310 million profits in these 59 companies after taxes. In 1956, which is the last year that they have the figures available, that showed $490 million after taxes. That is one thing that comes into this particular figure. There are other things that come into this figure. Also, it is because we have a change of consumers demand. They want some of these in-built services. I mean by that the consumers want their meals put up in prepared form so that they may be heated and served and ready to eat. It is also a matter of increasing transportation costs.

Mr. ARENDS. Could it be summed up by saying that the cost of processing and of labor are the real reasons for the increased costs to the consumers?

Mr. MARSHALL. I think that all through this thing you will find reasons for the increase. But, what I do feel is that out of a number of these things we seem to be, so far as agriculture is concerned, going in two different directions. I mean by that to say that the Secretary of Agriculture has repeatedly made the statement that by increasing the volume of production he can make up for the decreasing prices. He does have control under his responsibility as Secretary of Agriculture of the means whereby he can do something about agriculture. But the Secretary of Agriculture has no means under his control, or at least he has very little to do with the policing of industry or labor or any other segment of the society. I am prompted to say, yesterday we passed out of our Committee on Appropriations a bill which provided for advances for industries which are in trouble, and labor which is in trouble, and where there is more unemployment—what happens? We here in the Congress accepted the recommendations of the administration and we decide right away that we are going to do something about that because the problem is critical. We have unemployment, a lack of demand for industrial goods. We do something about it. But, when it comes to agriculture we seem to be going in a different direction in that regard. There are a number of things that could be done along this line regarding agriculture which would, in my opinion, help to pull this farm economy up.

Mr. ARENDS. What I want to say to the gentleman is not intended to be critical, but I think it should have been shown that 54 percent of the farmers' income is derived from livestock and under the free economy livestock production is without any controls or supports today. In all fairness that we may have a complete picture, that factor ought to be taken into consideration in any discussion of this whole problem.

Mr. MARSHALL. However, I would remind the gentleman that on this chart we have here the principal feeds that are fed to livestock, I happened to be raised by a father who was a livestock feeder and who was very much interested in farming, and I always remember one adage that he pointed out to me and that is that, "Cheap feed will be followed by cheap livestock." And while that may not be entirely correct, it usually is.

The CHAIRMAN. The time of the gentleman has expired.

All time has expired.

The Clerk will read the bill for amendment.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open for amendment and points of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississipi?

There was no objection.

The CHAIRMAN. Are there any points of order? If not, the Chair will receive amendments. Are there any amendments?

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do so for the purpose of making good to the gentleman from Michigan [Mr. KNOX] my promise that he would have an additional minute or two, which I was unable to give him during general debate. I yield at this time to the gentleman from Michigan [Mr. KNOX].

The CHAIRMAN. The gentleman cannot yield time unless he desires to yield the floor.

Mr. H. CARL ANDERSEN. I am not yielding the floor, Mr. Chairman. I yield to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I would like to direct a question to the gentleman from Minnesota [Mr. H. CARL ANDERSEN] or the chairman of the subcommittee [Mr. WHITTEN]. The report shows that the bill includes $15 million for the eradication of brucellosis. In the past year, if my memory serves me right, there was $20 million appropriated for the eradication of brucellosis. Is that correct?

Mr. H. CARL ANDERSEN. That is correct. I may say to the gentleman that was an authorization upon the Commodity Credit Corporation.

Mr. KNOX. I fully understand the medium in which the funds were made available. Fifteen million dollars is the appropriation in this bill. Is it the opinion of the committee that this program is so far advanced and near completion that it is justifiable to reduce the appropriation for the eradication of brucellosis, which is a dread disease, and which is the cause of undulant fever, as far as humans are concerned.

Mr. H. CARL ANDERSEN. I may say to the gentleman the subcommittee is just as much interested as is the gentleman from Michigan in seeing to it that this dread disease is thoroughly cleaned up. We have provided the full amount requested by the Department. If it is proven that more money is needed early next spring to continue this work, on my own behalf I am willing to support a supplemental to take care of whatever is necessary.

Mr. KNOX. Is it not a fact that if the program is not near completion, the reduced appropriation will stymie the program of the eradication of brucellosis?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. WHITTEN. May I say that the committee has gone along with the full budget amount of $15 million, the department having said that $15 million would be ample to meet rate of progress required.

We were advised in our consideration that the Legislative Committee on Agriculture was considering legislation which would let them finance this program through Commodity Credit Corporation as they have during the past year. We made the comment in the report that should any necessity be shown for an increased amount that we trusted they would use such authority for use of Commodity Credit Corporation funds only to the point they might need them over the $15 million. There was no proof to us that the $15 million would not be enough.

Mr. KNOX. Has the gentleman any figures to show how many States are accredited as far as the eradication of brucellosis is concerned?

Mr. WHITTEN. I think the gentleman knows the full story. Four years ago the subcommittee insisted that this program be set up after the Bureau of the Budget had recommended its elimination. But where the Department says that this $15 million will be enough to proceed expeditiously with the program all we could do was to rely on their showing.

Mr. KNOX. One other question, and that is with reference to the military fluid milk program for the Armed Forces.

Mr. WHITTEN. I would explain again that the fluid milk program and the use of milk for indigent people and others and its use in the schools is provided for by separate action. All we can do in this subcommittee is to restore the impaired capital of the Commodity Credit Corporation, and that is what we have done; we have restored the funds heretofore expended. I trust the programs will be continued.

Mr. KNOX. I am satisfied that there is no deletion so far as the fluid milk program is concerned in any aspect that relates to the basic legislation. I thank the gentleman for the information.

Mrs. KNUTSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. KNUTSON: Page 15, line 17, strike out "$100,000,000" and insert in lieu thereof the following: "$145,000,000".

Mrs. KNUTSON. Mr. Chairman, I rise to offer an amendment to the Department of Agriculture appropriations bill, H. R. 11767. On page 15, line 17, I propose to strike out $100 million and insert in lieu thereof $145 million.

This increase of $45 million will increase the appropriation authorized for the school lunch program in fiscal year 1959 to double that authorized for fiscal years 1957 and 1958.

The subcommittee is to be commended for increasing last year's appropriation of $100 million through the transferring of $55 million from the funds available under section 32. This addition of funds is greatly needed for the purchase and distribution of additional agricultural commodities and food pursuant to section 6 of the National School Lunch Act. I heartily support the action of the subcommittee in the transfer of section 32 funds.

In 1947, the Federal average cash reimbursement per meal was 9 cents. Currently, however, in 1958, the Federal average cash reimbursement is estimated by the Department of Agriculture to be 4.3 cents. Based on the $100 million which the Budget Bureau recommended for fiscal 1959, the average Federal cash reimbursement would drop to under 4 cents per meal next year. With the additions expected in school enrollments, we must begin now to enlarge the dollar appropriations for the school hot lunch program. It is necessary to increase this appropriation just to stand still at the present rate of participation in the hot lunch program, when consideration is given to the expected increase in school enrollments.

A good case can be made for increasing the dollar appropriations for the school-lunch program, considering the fact that considerably less than half of the public and nonpublic elementary and secondary schools are beneficiaries of the program. Moreover, only 11.4 million schoolchildren in these schools out of a total number approaching 40 million for the Nation, are participating in the school-lunch program—less than one-third.

To strengthen the case for additional appropriations under my amendment is the breakdown of the grand total spent for the school lunch program in fiscal 1957 between, first, cost to schoolchildren; second, Federal grant-in-aid contributions; and third, State and local contributions:

	Millions
Schoolchildren (and their parents) spent	$418.2
Federal grant-in-aid amounted to	100.0
State and local contributions were	155.3
Total	673.5

Of the grand total, $673.5 million, the Federal Government contributed only 15 percent; schoolchildren and their parents contributed 62 percent and State and local sources contributed 33 percent.

Local costs of the hot-lunch program amount to a substantial part of the total effort as these percentages indicate. This is indication also that the Federal funds channeled into the Federal hot lunch program stimulate proportionately greater expenditures at the State and local level.

Our children are our greatest national resource. We cannot afford economy that neglects their full physical and mental development. Midday hot lunches provide one-third of the daily food requirements at the peak period of their activity. For this reason, midday intake of food is important to the learning process.

Increasing the appropriation for the school lunch program will stimulate the economy all the way from the farm to school lunchroom tables.

Mr. Chairman, I invite support from the subcommittee and the Members for the increase of $45 million in dollar appropriations which my amendment provides to increase the Federal grant-in-aid to the school lunch program.

Mr. WHITTEN. Mr. Chairman, I rise to speak on the amendment offered by the gentlewoman from Minnesota [Mrs. KNUTSON].

Mr. Chairman, I enjoy my service on this subcommittee and have enjoyed serving as chairman of the subcommittee. One of the things that goes with

such responsibility is sometimes having to stand by the committee position, even if your feelings are otherwise.

We are all great believers in the school lunch program. This subcommittee has worked untiringly in an effort to insist that the Department use section 32 funds to maintain the level of the school lunch program. It was this committee that year before last increased the budget by some $15 million. And the committee increased it again last year. This year, in view of the fact that the availability of commodities has dropped way down, we have provided for a $55 million increase by transfer from section 32 funds. We are trying to see both ends of this problem. We have made the change by turning funds from section 32 to section 6 of the school lunch program, which will result in a $55 million increase in commodities that are available.

I do not believe we yield to anybody in our interest in this program. The gentleman from New York [Mr. SANTANGELO] has been particularly interested and helpful in handling the matter this year. And I do believe the program will come along better under the committee's proposal. That is the agreement between all parties.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Virginia.

Mr. JENNINGS. I think the committee is to be commended for transferring the $55 million, but is this left to the discretion of the Secretary?

Mr. WHITTEN. Certainly the intent of the committee is that the funds must be used to purchase commodities. Section 6 proper has certain criteria by which purchases are made to make up a well-rounded school lunch. In transferring these funds from section 32 we felt obligated to direct that they be handled on a general basis but not as restrictive as section 32. In other words, they must be used insofar as possible consistent with section 32 purposes. Section 32 should be kept in mind as the funds are expended. That is for the additional amount of $55 million.

Mr. JENNINGS. And as I understand the gentleman, we actually have $155 million that the committee is directing the Secertary of Agriculture to use for the purpose of the school-lunch program.

Mr. WHITTEN. That is right. And we feel that that is as far as we could consistently go. And, I want to say again that the gentlewoman is as interested in the school-lunch program as anybody in the Congress.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. POAGE. I wish the chairman would explain a little further about these instruction to use section 32 funds only for the general purpose of section 32, because section 32 is supposed to be spent for surplus commodities.

Mr. WHITTEN. I agree with the gentleman, but we did not have that in mind. Under the law, unfortunately, the Department of Agriculture determines whether a surplus situation exists. In the judgment of a majority of the committee, many times such surpluses have existed, but because of a determination to the contrary by the Department, purchases have not been made. Under the committee's proposal, those that appear to be closest to surplus in the minds of the Department would have precedence over those that were not so determined.

Mr. POAGE. Can we understand that the committee is not binding the Department to simply spend this money to purchase the commodities that otherwise would be purchased under section 32?

Mr. WHITTEN. We are not so restricting the Department. We do not want it limited to section 32, which requires prior determination by the Department. But we want the school-lunch people to use this money to buy surpluses where they are not bought under section 32 because of lack of action under that program.

Mr. POAGE. Would the chairman agree to this, for the RECORD, that the provision is not intended to confine the expenditure of these transferred funds simply to surplus commodities but that they are simply to be given preference in purchasing and that any commodities needed for the school lunch program could be purchased out of these transferred funds?

Mr. WHITTEN. The gentleman is correct.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New Jersey.

Mr. WIDNALL. I am very much in favor of the school lunch program as it has been projected over a period of years. I have listened with interest to the remarks of the gentlewoman from Minnesota where she quoted statistics of the children enjoying the school lunch program in relation to the total population. Is the answer: How many school districts actually want the school lunch program, and how many students are going to school and receiving possibly better hot lunches in their own homes than at the present time through the schools? Is that an actual portrayal of the program?

Mr. WHITTEN. Well, I do not know that I could say it is an actual portrayal. But, as I see it from the Federal Government's point of view, the school lunch program should be financed partly by local contributions, including payments by the children, which could be used and classified as matching funds. I will say that this program has greatly expanded because we have a Federal program. Because the investment by the Federal Government is available, it has served as a basis on which there has been a great expenditure of effort in connection with school lunches by the PTA's, the States, and various others at the local level. May I say again that the committee has gone along on a sound basis, and I trust you will support the committee.

Mr. WIDNALL. I would like to commend the committee for its work.

Mr. WHITTEN. I thank the gentleman.

Mr. WILLIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to address myself for 5 minutes to that portion of the bill on page 18 dealing with the Sugar Act program. The committee recommends that the Sugar Act budget be reduced from $76 million to $71 million. Now, in order to understand the significance of that reduction of $5 million, we should consider the basic provisions of the act itself, and after doing that I would like to direct a question to the chairman of the subcommittee. The Sugar Act, as those closely connected with it know, involves, of course, acreage control and compliance with other conditions. In other words, those farmers who comply with the act and the rules and regulations of the Department receive certain sugar-payment benefits. In effect, therefore, the Sugar Act constitutes a contract between the Federal Government and the sugarcane and beet sugar farmers who comply with the act and the regulations.

Let me make this point perfectly clear, that the Sugar Act program is not only self-sustaining but it actually produces more money than the cost of its administration. This is true because the program includes a processing tax of $10 per ton. The consumption estimate of sugar in the United States for this year, 1958, is 8,800,000 tons. Therefore, a tax of $10 per ton will mean that the program itself brings in or will bring in this year $88 million. The budget estimate submitted to the committee was $76 million as against a return through the processing tax of $88 million or a net income to the Treasury of $12 million.

Because of early maturity of sugarcane in Puerto Rico, the Department of Agriculture can get by with postponing the payment of sugar benefits in any 1 year to the next succeeding fiscal year. For example, the sugarcane harvesting is going on right now in Puerto Rico. The harvest will go on until about May. Therefore the Department of Agriculture can well afford not to pay for the current crop until the funds for the next fiscal year beginning July 1, 1958, become available. But that is not true with domestic beet and sugarcane.

And so the committee, in the last couple of years, has been deferring payment, which up to now has been a bookkeeping affair, but we have now caught up with the facts of life. That is the significance of the last sentence at the top of page 28 of the report where it says:

> Also, a portion of the increase is required to make payments on a small part of the 1957 crop which could not be made from funds available for 1958.

That meant that last year the committee took into consideration that the current crop now being harvested in Puerto Rico would be paid under the fiscal 1959 budget beginning July 1 of this year. But if you are going to repeat these deferrals of payment, you will get caught up with, and there will be no money to pay domestic farmers. In fact that is exactly what has happened. You cannot continue deferrals. Right now, what will happen under this $5

million reduction, I am afraid, is that the payments to the domestic beet and cane farmers will be in jeopardy.

The CHAIRMAN. The time of the gentleman from Louisana [Mr. WILLIS] has expired.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes additional.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Chairman, I am quite sure that the committee has taken those factors into consideration. Nevertheless the figures I have just related come from the Department of Agriculture. The Department is quite disturbed about repetition of the deferral, which has caught up with us right now. I am wondering what the disposition of the chairman as to that problem is. Let me tell the chairman that we sincerely appreciate the work of his committee. These payments must be made, and I know the committee intends to make them, but what are we going to do now? We have come up to the saturation point of deferral.

Mr. WHITTEN. It comes back again to whether or not the estimates the gentleman has quoted are accurate. We have learned from experience that the Department cannot always estimate domestic consumption and other factors. Taking our own figures, we feel that what we have in the bill is ample as far as we can see. This bill will go to the other body, and in the meantime if the figures get more accurate we will take them into consideration in conference. The committee recognizes that this obligation must be met, and has every intention of really meeting it. We did it based on our own experience that the funds are adequate.

Mr. WILLIS. I appreciate the gentleman's remarks, and rely on his help to work this problem out in conference.

Mr. HAGEN. Mr. Chairman, I move to strike out the last word, in order to ask the gentleman from Mississippi one or two questions.

On page 22 of the committee report with respect to the school-lunch program it is stated that the committee recommends the full budget estimate for the fiscal year 1959, a continuation of the appropriation authorized for the fiscal years 1957 and 1958. On page 23 it is stated:

> It is significant to note that the average cash reimbursement per meal from Federal funds has decreased from nearly 9 cents in 1947 to an estimated 4.3 cents in 1958.

My question is this: Under the action of your committee this Federal cash contribution per meal will remain at 4.3 cents or less. Is that not correct?

Mr. WHITTEN. That is correct. We felt that, whether or not we gave cash, it might be better for the committee to enlarge this program by the transfer of section 32 funds, $55 million of which are transferred in the bill. Then you serve the double purpose of having those funds expended for the general purposes of section 32, and also for the school-lunch program. So we felt that we were serving the double purpose of taking care of the purposes of section 32 and the school lunches. With more commodities, you would not need cash to the same degree. So it is on that basis the committee acted.

Mr. HAGEN. I thank the gentleman.

By reason of the fact of an inadequate cash appropriation for the school-lunch program I should like to speak in support of the amendment of the gentlewoman from Minnesota [Mrs. KNUTSON] which adds, I believe, $45 million to the committee action for this cash contribution. As I understand it, a requirement for participation in the Federal school-lunch program is the establishment of a meal conforming to standards specified by the Federal Government, and these donations of food from the section 32 or other surplus disposal programs do not often meet the criteria of that meal, which means that to the extent the Federal Government fails to adequately contribute in cash the local school district has to pick up that cost out of its own funds. In most areas the only tax base the school district has is the ad valorem real or personal property tax, an already overburdened tax. It is my understanding that this contribution of only 4.3 cents per meal is causing a real problem in California and other places.

In the light of these high standards for the meals required for eligibility in the Federal program, many school districts, including some I believe in San Diego, which is a relatively wealthy area, are dropping participation in the Federal program. I am certain that the same situation exists in other areas, and for that reason I feel the request of the gentlewoman from Minnesota for an additional amount of money for this program is completely justified. As I have indicated, earmarking of $55 million of section 32 funds to be added to an inadequate $100 million basic appropriation is a poor answer to the need for more money. The committee itself recognizes this fact in its statement on page 23 of its report. The report states that numerous organizations and persons requested added appropriations with suggestions ranging from $130 million to $200 million. With reference to this testimony the committee says, "There is considerable justification for these proposals in view of the increasing numbers of children participating in the program and the increased prices of food."

I would predict that this program will expire or be severely reduced if the Federal cash contribution is not increased. This would be tragic. I would judge that we are entering a period of increased Federal spending in response to the problem of the recession. I can think of no program which more rationally deserves increased expenditure than the school-lunch program. If people are unemployed it is unquestionably true that their children probably receive inadequate diets at home. The school-lunch program will help with this problem. There is much concern over the problem of farm income occasioned by farm surpluses. I am certain that the votes of many Congressmen and Senators for the school-lunch program were made solely on the basis of assistance to farmers. To these people I say that increased appropriations for the program will benefit farmers. These are practical arguments advanced in the hope of getting the maximum support for the amendment of the gentlewoman from Minnesota; however, this amendment should not have to depend on these collateral considerations. The school-lunch program should be adequate in scope and supported by Congress solely for its obvious purpose of providing wholesome diets to children who would not otherwise have them.

Mr. POAGE. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I would like to ask the chairman of the committee, who I think has done an excellent piece of work on this bill, to explain some of the details. Possibly some of us who have not followed the detail work from day to day are a little hazy on some points. I think this committee, as always, has brought in a very creditable bill and one of which the entire Congress should be proud. But, of course, I am sure the members of the subcommittee as well as the Members of the House will find that there are items in it for which they would prefer to have provided some other amount. For that reason, and not by way of criticism, I would like to consider several of the items.

One is the conservation reserve program of the Soil Bank. I note with satisfaction that the subcommittee has put an effective brake on an acreage reserve program for next year by providing that no money shall be expended for planning a program next year. This is as I think it should be. I think we would have saved much trouble had we abandoned the acreage reserve program last year. But, we did not do so. Later, it became our duty to provide the money for the program we had authorized and that was done as it should have been. But, with the abandonment of the acreage reserve program, it had been the hope of many of us that there would be special emphasis placed upon the conservation reserve. As I understand it, the subcommittee has, in effect, reduced the legislative authorization for the conservation reserve by $150 million. Is that about the effect of it?

Mr. WHITTEN. That is correct.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. H. CARL ANDERSEN. I might say to the gentleman that that is the case, that we have reduced the amount from $450 million for the announced program of the crop year, 1959, down to $300 million.

Mr. POAGE. You go a little further than that, if I read this correctly. You provide that in the future it should not go over or exceed that amount.

Mr. H. CARL ANDERSEN. No, that is not the case; nor is it the intention so far as I am concerned.

Mr. POAGE. That is what I would like to know. What does that language mean which says that each year it cannot exced $300 million?

Mr. H. CARL ANDERSEN. I might say to the gentleman that there is no intent so far as I personally am concerned to agree to any such limitation.

Whatever language is in this report, and speaking for myself, is based only relative to the program for 1959. I want to inform the gentleman that I am entirely in agreement with him that we should accentuate the conservation reserve from now on. But, I did agree with the subcommittee and with the other members of the subcommittee on a compromise of this question. I had difficulty, I might say to the gentleman, in securing the amount of $300 million to be put into this bill. I wanted $400 million, but as one of the original sponsors of the Soil Bank in the Congress along with the gentleman from Minnesota [Mr. MARSHALL] I am also interested in seeing this program, and I am sure the gentleman from Texas [Mr. POAGE] agrees with us, as I say, I am also interested in seeing that this program should not mushroom and become discredited because of certain practices which it is always difficult to keep out of a new program. That is my position, may I say to the gentleman from Texas. Let me assure you I agree with the gentleman that this should be the program of the future.

Mr. POAGE. I appreciate that. Now did I understand the chairman to say that he also agreed that this was not intended as any limitation beyond this year?

Mr. WHITTEN. On page 26 of the report, we provide the following:

> For the 1959 crop year, the Committee has included a program authorization of $300 million. This should allow adequate funds to meet the needs of the program on a sound basis for the next fiscal year.

So we refer to the next year only. We have never announced the program for more than 1 year under the general practice.

Mr. POAGE. But, the thing that disturbs me is on page 17 of the bill where this provision is found on lines 9 and 10 to the effect that none of these funds can be used for a program which would require payments to producers in excess of $300 million in any calendar year. If I understand you, you are now telling us that that applies only to the next fiscal year; is that right?

Mr. WHITTEN. They cannot plan for more money than is in this bill. That would be reviewed each year. This bill is for 1 year only.

(By unanimous consent, Mr. POAGE was granted 5 additional minutes.)

Mr. WHITTEN. The bill, being for 1 year, would in no way control what might be done in following years. The language might have been worded somewhat differently, but certainly nobody is trying to control what would be done next year in this bill.

Mr. POAGE. I felt sure that is what the committee intended, but I wanted to make it clear that you are not making a limitation for future years.

Now, I would like to ask about the action taken in regard to the watershed program, under the Flood Prevention Act. You have increased the budget estimate rather substantially. For one, I want to commend the committee for this action. However, I believe you kept the appropriations down approximately as low as they were for the past year. I presume that was done on the theory that all of the money was not used this past year. Am I right?

Mr. WHITTEN. That is right. It was the belief of the committee that this is about as much as they could actually use. They have certain administrative procedures, and certain contracts have to be entered into, and since they will have this carryover from the present year, we felt this was all that they could use.

Mr. POAGE. I wonder if the chairman would agree with me that if we would give the Soil Conservation Service a substantial increase in their money for engineering and for planning that we could and should properly use a much larger sum of money each year in this work.

Mr. WHITTEN. I think it would be more complex than that. I do not feel we have been hampering them too much because of lack of appropriations.

Mr. POAGE. In the State of Texas there are about 150 applications pending. There is only one survey or planning party in the entire State, and they can only handle two projects a year. That means, in the course of 75 years we would just about be up with the projects now pending, if there were no others asked.

Mr. WHITTEN. May I say to the gentleman it would be impossible for this subcommittee to meet all the needs of Texas. But we have provided $2½ million additional for the Soil Conservation Service.

Mr. POAGE. I think that is a step in the right direction, although I should have preferred considerably more money both for planning and for construction.

Mr. WHITTEN. I do not think the absence of money in that field has been as much of a drawback as sometimes has been claimed.

Mr. POAGE. I appreciate the gentleman's explanation.

I wish to state to the membership that while I very much appreciate what this committee has done, in an effort to try to give us a program at least comparable to that of last year, it has been my hope and I still hope that before this bill becomes law it will have in it possibly twice as much money for this program.

Mr. WHITTEN. This bill does have about twice as much money as they used this year.

Mr. POAGE. That is correct, but it does not have twice as much money as we had appropriated last year, and it does not have twice as much money as we could use. Obviously, the farther down the line you go, the more of these projects you have planned and ready to go, the more money you can efficiently use. In your early years you are limited. I have repeatedly said I would not ask for a hundred million or five hundred million even if I could get it. I would not want it, because I believe it would lead to extravagance which would destroy the program.

But it seems to me this program has been so widely and so well accepted that certainly we could put at least $50 million to good use here, even with entirely normal conditions. In view of the depressed economic conditions, I should think that this should be looked upon as a minimum figure.

We are considering the expenditure of funds for extensive public works, and in just a day or two we are going to vote $1.5 billion for roads—and I am not criticizing roads; but, obviously, there is no program that means as much to the people of America as that of conserving their resources; and when you conserve your water resources you conserve your soil; and, without the conservation of these resources, the other programs are going to fail of their purpose. Superhighways will be of little avail without water for our cities and productive soil for our farms.

I shall not offer any amendment here, because I realize that, should it be rejected, and unless the committee could see its way clear to accept it, it would be defeated; it would serve as an instruction to the conferees to oppose any such increase should it be made in the other body. I do, however, indulge the hope that, should this amount be increased, the subcommittee will accept the increase.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word and wish to ask the gentleman from Texas a few questions.

Mr. Chairman, I want the gentleman from Texas to know that he has made practically my speech on this subject. I feel that at a time like this when we are trying to find places to put men back to work, there is no better place than to accentuate, as quickly as possible with surety of getting a good job done, what we term the watershed protection program and the flood prevention programs. Certainly if we can spend an additional $1,500,000,000 on the highway construction program in this 1 year alone, I may say to the gentleman from Texas, we can certainly spend $50 million on these 2 items we are discussing here.

The gentleman well knows that it is due to the lack of technicians on the part of the Soil Conservation Service that we have been unable to push the work to the point the gentleman from Texas and I would like to see it pushed.

Mr. POAGE. The gentleman from Minnesota has said exactly what I would expect him to say, because he has been one of those who has been working very hard on this program. As he has pointed out, one of the weaknesses of this program is the lack of technicians. I think we should do something to get enough people to carry out the program.

Mr. H. CARL ANDERSEN. Not only that, but may I tell the gentleman also that I made an effort in our subcommittee to give $5 million additional to Soil Conservation for operations, not the $2,500,000 which the subcommittee finally agreed to, but I wanted an additional $5 million in there.

If each year we increased the financing of soil-conservation operations throughout America by at least $5 million above what we have in this bill, I think we could come to the point where we would have sufficient technicians to do the job.

In one of my counties alone last year we lost $18 million because of a flood. The big bulk of that could have been controlled and prevented had a water-

shed been in operation as we hope to see many of them in operation in a few years.

I want to pay a compliment to the gentleman from Texas. I recall when I first became interested in this particular work, I followed the lead of the gentleman from Texas, and his work to prevent soil erosion through watershed protection, and I complimented him for his unceasing effort along these lines through the years.

Mr. POAGE. May I point out to the gentleman from Minnesota that we did not hesitate to authorize a program of $30 billion for superhighways simply because we did not have the engineering. We did not have it; we have not got it today, yet this House within a day or two is going to supply $1,500,000,000 to expedite work on the highway program even though we do not have the engineering done. Why should we be so reluctant to undertake a program that involves an infinitesimal part of that great sum, but which will return even greater long-range benefits. Why should we be so reluctant simply because we do not have enough technicians. We can get them if we are willing to pay them enough. The highway program is going to dig for some of these very men. I would like to see the Department of Agriculture in a position where they could bid for the technicians to do this great soil-and-water conservation job. I hope the other body may see fit to give us some relief in that respect. I feel sure that if they do, members of this subcommittee who will serve on the conference will try to keep it in the bill.

Mr. MILLER of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the chairman of the committee a few questions relative to the school-lunch program and what will happen to the section 32 funds. I am not an expert in this field but, as I understand it, section 32 funds involve money raised from the tariff on certain agricultural commodities, which funds are set aside to be used for the stabilization of the prices of perishable commodities; is that right?

Mr. WHITTEN. It is primarily that. There are other authorities in the act, certain other limitations and certain other uses than can be made.

Mr. MILLER of California. I am very sympathetic to the school-lunch program, but I would like to know whether the diversion of $55 million from the section 32 funds into this program will deplete that fund to the place where it cannot be used to stabilize perishable commodities?

Mr. WHITTEN. May I say that any unused section 32 funds revert to the Treasury. The very purpose of putting that provision in this bill was to keep what the gentleman is referring to from happening. The Department has been very slow in using section 32 funds as provided by law. That is one of the reasons the funds were moved here so they would be used. Then there would be no excuse for not making a direct determination, which sometimes has not been made in the past.

Mr. MILLER of California. Section 32 funds have been used in the past to the advantage of those people who produce perishable commodities. I would not want to see anything happen to it. I would not want to see this fund diverted so as to support other commodities that are not perishable. I want to make sure this is not a subversion of these funds, using them for something else.

Mr. WHITTEN. There may be a few other commodities, but anything that is edible would fit into the school-lunch program and would fit the general definition of "perishable."

I assure the gentleman our purpose here is to make better use of section 32 funds than heretofore and to make better use of them in the school-lunch program. I do not think it would affect the problem at all except to make it better.

Mr. MILLER of California. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Minnesota [Mrs. KNUTSON].

The amendment was rejected.

Mr. REUSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS of Wisconsin: On page 17, line 21, strike the period and add the following language: ": *Provided further*, That such limitation for conservation practices shall not apply to wildlife practices."

Mr. H. CARL ANDERSEN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. REUSS. Mr. Chairman, this is a very simple amendment. Conservationists and sportsmen vigorously supported the adding of wildlife conserving practices to the conservation reserve when the Soil Bank was adopted 2 years ago. For the first time, we recognized that the farmer who followed sound wildlife conservation practices should be adequately compensated for doing on his land what benefited the entire country. Under the conservation reserve, the Department of Agriculture has approved paying farmers up to 80 percent of the cost of such wildlife conserving practices as planting food and cover for wild game, and creating or restoring marshy areas for waterfowl.

The committee bill, page 17, lines 15 to 21, cuts down the cost-sharing by the Federal Government for conservation practices from the present 80 percent to a maximum of 50 percent, which is the maximum provided under the ACP program.

I do not question the wisdom of the committee in cutting down from 80 to 50 percent the cost-sharing practices with respect to soil and water conservation practices, because there is a great direct benefit to the farmer. I accept the committee's judgment that a 50 percent sharing is enough to secure widespread participation, but when you come to wildlife participation payments and want to cut them down from 80 percent to 50 percent, you are going to end, in effect, the wildlife practices part of the conservation program. I am afraid if you cut it down to 50 percent, since there is very little in it for the farmer, he is just not going to see his way clear to install the sound wildlife conservation practices that Congress intended in the authorization act. I know that the chairman of the committee, the gentleman from Mississippi [Mr. WHITTEN] and the ranking minority member, the gentleman from Minnesota [Mr. ANDERSEN] have done a wonderful job in connection with this worthwhile conservation reserve, and I think with my little amendment it will retain the enthusiastic support of city conservationists as well as country conservationists, and I hope the amendment will pass.

Mr. H. CARL ANDERSEN. Mr. Chairman, I withdraw my reservation of objection.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the agricultural conservation program there was a good deal of feeling that we should not include a program for wildlife refuges and things of that sort. It was included, however, and the Department of Agriculture appropriation bill carries money for carrying on practices on wildlife refuges. Now, if the gentleman's amendment is adopted, it means that if you go into that type of an area the Government would pay full rent, and the record shows in some cases it would pay for the land in 3 years. Then in addition you would pay 80 percent of the cost of the program.

I think the whole program, to be frank with you, lacks a lot of being sound. In this language we try to bring it down to a sound operation by providing that they cannot pay rentals in excess of 20 percent of the value. Then we provide that the contribution from the Government for conservation practices should be in line with the agricultural conservation program, where the average is about 50 percent of the cost.

I would certainly say, if you go along with us and want to make a sound conservation program, you should not want to make an exception of one part of the program which contributes very little to agriculture. Certainly you would not want to pay 80 percent, plus a rate of rental that would equal the value of the land in 3 years.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. REUSS].

The amendment was rejected.

Mr. MARSHALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the American farmer and the American consumer today face many problems which they share in common. One of these problems centers around the market for good pork. The hog plays an increasingly more important role in our economy and on the dinner table.

Through the years, the hog has become the symbol of greed. Applied to enterprises or individuals, the word means those who take selfishly or in excess of their due. Also, a hog—not unlike some newspaper columnists and a few politicians—has a reputation for

wallowing in the mire. This is, of course, a popular misconception since any farmer can tell you that the hog is a clean animal if given the opportunity.

In one of his essays, Charles Lamb tells us that the hog was responsible for one of the great disasters of China. According to his account, a pig was trapped in a burning house and when all was lost, the owner was so taken by the appetizing odor of the charred animal that he tasted the meat. He spread the word of this delicious new food discovery across the land. To share in this delight, people everwhere locked their pigs in their houses and burned down the houses.

CONSUMERS WANT LESS LEAN PORK

Be that as it may, we are doing something almost as ridiculous today. What we are doing might be almost as funny if it were not also as pathetic. The consumers of this country want lean pork. There is ample evidence of this demand at every meat market in America. The American farmer can produce lean pork, or, as it is popularly called—a meat-type hog. The American farmer needs an outlet for his feed grains. There is no more efficient machine for converting grain into meat than the hog. It has become the symbol of greed partly because of its notorious appetite.

Crocodile tears have been shed because Henry Wallace once wanted to keep these darling little pigs from growing into hogs, as the headlines of the time said. It might be more appropriate if a few of these tears were shed today for the American consumer and the American farmer who are now at the mercy of the middleman in the hog business—the packing industry. If the hog is the symbol of greed, we sometimes wonder if the industry has not been unduly influenced by its close association with the animal.

SPENDING LESS FOR PORK

Have you ever bought pork in this city? In the stores in which we trade, we rarely see good, fresh pork on display. The few times we have been tempted to try it, we have been disappointed. We prefer lean, firm pork which is wholesome and delicious, not the soft, greasy product offered on the market today. We apparently are not alone in this preference. Department of Agriculture figures show that the percentage of the consumer dollar spent for pork dropped from 3.3 percent in 1947 to 2 percent in 1957, a period of 10 years.

The percentage of the consumer's dollar spent for beef during the same period remained relatively stable at 2¾ percent.

Does this simply mean that our eating habits have changed? I do not think so. My family would still prefer good pork and there is ample evidence that other families share this desire if quality products are available.

FARMERS WANT TO PRODUCE LEAN HOGS

Let us look at the farmer's side of the coin. My father was enthusiastic over the possibilities of bacon-type hogs—as they were then called—when he was a young man. After graduation from our agricultural school in St. Paul, one of his first ventures in farming was the purchase of Yorkshire bacon-type hogs as breeding stock.

The St. Paul packing industry became interested in this type of production and for a short time paid a premium on the market. The industry then, too, was lean and hungry, but as it became fatter it became complacent and emulated the hog in other ways. Except for sporadic efforts, it still slumbers while the market for its product deteriorates to an alarming degree.

MEAT DEMAND UP—LARD DOWN

The packing industry lost interest in quality and relied instead upon volume for its profit. To some extent, this attitude was justified because the demand for lard was almost as great as the demand for lean meat in the early part of this century. The situation has changed. In 1956, according to the Department of Agriculture, lean meat was worth 89 percent more than live hogs while lard was worth 31 percent less, pound for pound. But like Rip Van Winkle, the industry slept on.

CANADIANS TAKE OVER MARKET

In the meantime, what have our fine neighbors in Canada been doing? They came down into the United States to buy breeding stock for a new kind of hog production. My father was one of those who sold good breeding stock from his swine herd to Canadian buyers. They went into the production of meat-type hogs which earned a premium in the market place. Their judgment paid off. To this day, a premium is paid in the market for a quality product that has earned a worldwide reputation. Go to any eating place where quality food is served and you will find Canadian bacon on the menu. During a recent trip to South America by air, we were served an excellent meal aboard the plane—the meat dish was Canadian bacon.

American agricultural research since 1900 has done a remarkable job in developing and promoting breeds of hogs which produce quality meat.

The extension service has done an excellent job in making information based on this research available to farmers. Our farmers are willing to take advantage of the advances made in this field if they are given the opportunity.

USE AMERICAN RESEARCH

Over the years, Congress has made money available for this valuable work. But who has been taking advantage of it? Our neighbors north of the border, the Canadian hog producers.

A year ago this subcommittee on agricultural appropriations initiated a study of the Canadian system of quality pork production. Preparatory to that study, I made an inquiry concerning the difference in carcass value between meat- and lard-type hogs. A prominent Canadian educator in the field of agriculture referred me to a bulletin which he described as the best work he knew on the subject. Where did it come from? From our own University of Minnesota.

EMPHASIS ON WEIGHT, NOT QUALITY

Now, we are proud of the work done in this field by the University of Minnesota and we are happy that it is useful to farmers everywhere. My own disappointment, however, arises from an experience I had on my own farm at about the same time. We had a good load of hogs ready for market when our trucker said, "Fred, you have some nice hogs but you had better put in a few skinny runts or the buyers will cut the price on you." We picked out three lightweight pigs and added them to the load. That brought the weight down so that they could be sold for the top price in the market.

The quality of the hogs had little or nothing to do with the price the packers' buyer would pay. The price was determined solely by weight. These hogs were sold within 20 miles of the same University of Minnesota which produced the excellent study on the difference between the carcass value of meat- and lard-type hogs. And, as you all know, the State of Minnesota borders the Dominion of Canada.

CONSUMERS AND FARMERS WILL RESPOND

We sold our breeding stock to Canada. We furnished them with the results of our research. To their credit, they put the two together in a thriving industry. In the meantime, our industry slumbers on.

A subcommittee of our Committee on Appropriations held a hearing at Morris, Minn. Testimony from county agents in the area impressed upon us the importance of premium payments for meat-type hogs. From their experience, they assured us that farmers would respond immediately to a demand from packers for quality meat-type hogs. I believe they will and I know that consumers will respond to an even greater degree in the meat market.

There are signs of an awakening in this country. At the insistence of our subcommittee, the Department of Agriculture sent a group into Canada to look into the situation. A report of the findings will be found on page 1339 or part III of our hearings on the Department of Agriculture appropriations bill. One fact that will immediately stand out is that there is a differential of $4.50 between grade A and grade C hogs in the 200-pound class on the Canadian market.

NEED FOR PRICE DIFFERENTIAL

Taking into account the difference between Canadian and American cuts, there should be a spread of at least $1.60 on 200-pound hogs of different quality in our market. Canadian producers obtain an additional advantage by a special method of trimming fat and by use of an established method of quality acceptance. I suggest, Mr. Chairman that we ought to learn more about the job that has been done by our Canadian neighbors and that we ought to keep in close touch with these developments.

There is a small ray of hope appearing for the American consumer and the American producer of pork. The American Meat Institute announced last summer that buyers stand ready to take properly sorted hogs on a merit basis. There are also a few packers who are trying to be fair about the price and quality situation. In our State, the Hormel Packing Co.—the same company so highly lauded during debate on the humane slaughter bill—has established a policy of processing good quality

meats. In so doing, the company pays a premium to the producer of high-grade hogs.

FARMERS LIKE HORMEL METHOD

How do farmers like this? Wallace's Farmer, a leading farm magazine, put this question to its readers a year ago. Two-thirds of the farmers polled favored the method of purchase used by the Hormel Co.

I have introduced a bill, H. R. 8863, to enable the Department of Agriculture to use incentives to encourage marketing of hogs at lighter weights. The same magazine polled its readers on this proposal and 55 percent of them approved of this plan. Only 29 percent expressed some disagreement. A similar bill of mine was opposed by the Secretary of Agriculture in a report made on April 11, 1956.

AGRICULTURE DEPARTMENT BALKS

Among the reasons given by the Department in opposition to my bill were these:

It is believed that the majority of hog producers oppose a program that would lead to Government regulation of production and marketings. * * *

Payments on hogs would have the effect of setting a precedent for similar payments on beef cattle, poultry, and other livestock products.

At this point, it is interesting to note the remarks of Mr. Lyle Lamphere of the Central Livestock Association, a cooperative commission agency on the South St. Paul market, made before a meeting of the Minnesota Farm Managers Association in St. Paul, in January of this year:

Whether or not the trend will be toward production of leaner, meatier hogs depends upon several factors, and one of them is the system of marketing. There are many who say that if sufficient price reward is paid for meat-type hogs, that such hogs will be produced. This is a challenge that has been squarely faced by the Central Livestock Association for nearly 20 years. * * *

N. K. Carnes, general manager of your Central Livestock Association, back in the early 1940's called meetings of packers and other marketing interests of the South St. Paul market in an effort to inaugurate a method of selling live hogs on the hoof, on such a basis that quality would be recognized in the determination of their value. Many hogs at that time were being sold on a weight basis alone. Unfortunately, this missionary work was at first not too favorably received. * * *

Now there is something that is even more important to all hog producers than the selling of meat-type hogs on a merit basis, and that's the general level of hog prices. Interest in hog production is dependent upon adequate financial returns. When hog prices are severely depressed, interest in the production of meat-type hogs declines also.

In spite of all the work this selling agency has been doing, proper attention is still not being given to the value of lean meat hogs.

SOME SIGNS OF INTEREST

Because they are unable to get the proper return in the market, some producers are seeking contracts with the packing industry. An article in the April 1958 issue of the Farm Journal describes the use of lease breeding arrangements.

These are some of the indications of renewed interest among sellers and packers. Consumers and farmers, as well as the great majority of our county agricultural agents, have long been alert to the possibilities of improving the quality of pork on the market.

DEPARTMENT REVERSES ITSELF

The Department of Agriculture itself submitted an excellent report on the subject after it was suggested by our subcommittee. In strong terms, the report stresses the value of selling hogs on a merit basis. Despite this, and despite every experience to the contrary, here is the reply we got when we suggested that such language might be written into law: "The Department of Agriculture is not at this time in a position to suggest legislative language to force the marketing of hogs on a mandatory sorting or grade basis. Rather, the Department believes improvement should come through research, education, and the voluntary efforts of producers, market agencies, meatpackers, and others, including the wholesale and retail trade."

This is the answer we get, Mr. Chairman, after all the years of wishful thinking, all the years of inactivity on the part of the trade, and at a time when hog producers are losing their markets. Is not this "solution" about as ridiculous as burning down houses to roast pork? At least the Chinese described in Charles Lamb's essay did get pork for dinner, which is more than we can say will happen under the Department's so-called solution. The time for study is past. The facts are on the record. Constructive action now can regain a hog market and expand the use of pork products.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this in order to get some information, if I can, from the committee in regard to the amount of funds we presently have in foreign currencies generated by Public Law 480. I notice on page 24 of the committee report that there is some discussion of the fact that we have been selling a lot of these surpluses for dollars, but obviously a great deal of those surpluses has been sold for foreign currencies. There seems to be no breakdown. I wonder if someone from the committee could tell me how much in 1957 was sold for dollars and how much for foreign currencies.

Mr. WHITTEN. May I say to the gentleman that the committee requested that information and I am sure it is in the hearings. It is taking a moment to run it down.

Mr. CURTIS of Missouri. I have checked the hearings and on page 944 I find some information on the subject, to the effect that the total agricultural exports in 1957 were $4.7 billion; $1.9 billion of this amount was exported under Government programs, and $2.8 billion worth of agricultural commodities were exported commercially for dollars. Of Of this $2.8 billion $1.7 billion was exported at prevailing domestic market prices. The remaining $1.1 billion was exported at less than domestic market prices and had a domestic market value estimated at $1.4 billion.

That still does not give the information. I suppose the answer is that $1.9 billion was sold for foreign currencies. Would that be a correct conclusion?

Mr. WHITTEN. Part of that was donated and part was by sale for foreign currencies. I have before me a table which the staff has procured from various pieces of information that appear in the record. I could read that for the gentleman, if he wished.

With regard to Commodity Credit Corporation commodities at their cost value—that is the Government investment—for 1957 the total disposition—that is the word they use—was $4,267,800,000. The dollar sales were $2,326,500,000. Barter, donations, and grants, $1,258,100,000. Sales for foreign currencies, $623,200,000.

Those are the figures brought together by the staff from various information supplied by the Department.

Mr. CURTIS of Missouri. I thank the gentleman.

On page 998 of the hearings you do have some totals of the amounts of foreign currencies that are programed. I presume those are under the Public Law 480 agreements. They show that the amount of those programings is around $2,294 million.

How much do we have and what are the present balances in foreign currencies generated under Public Law 480 agreements, if the gentleman can tell me?

Mr. WHITTEN. I am sorry, we do not have that information available.

Mr. CURTIS of Missouri. What I am getting at is this. It is very difficult to follow just what we are doing with these tremendous sums of money that are generated under Public Law 480. When we have the Subcommittee on Appropriations for Foreign Affairs and discuss the foreign-aid program it is very difficult to get this information from them. So now I am starting at this point to see whether this committee looks into the programs for which this money is being used, because they are identical to all the foreign-aid programs under the conventional method of paying for them.

Mr. WHITTEN. I agree with the gentleman so far as the difficulty of getting the information is concerned; but I assure the gentleman that the slowness with which he is getting it from this committee does not come from the same reason on our part, perhaps.

Mr. CURTIS of Missouri. I am sure it does not. If anything, I want to strengthen the gentleman's position.

Mr. WHITTEN. The State Department and the Treasury Department have control of these funds. As the gentleman is aware, in advance of the sale there is an agreement on the use of the funds. Our committee does not come into the picture except to the extent that these foreign currencies are used to promote markets and certain other things that have to do with the Department of Agriculture. For that reason, I think their figure very frequently is not as complete as it could be. This is the first year we have had a chance to go into it. I am sorry our information is not complete. We have on page 998 an estimate

of the total amount the currencies would be under all the agreements. Whether the agreements have been carried out I am not in position to say.

Mr. CURTIS of Missouri. I commend the committee on their efforts and urge them to continue their efforts and go further, because apparently these funds are not pegged down. I commend the committee for making some effort at any rate to figure out how much should be apportioned to the agricultural program and how much should be apportioned to our foreign aid program. I think very particularly there is some balance that should be struck, but I think we have come up with no real answer on that.

Mr. WHITTEN. I do not think we did. We for the first time here approved the use that was submitted to us of the funds. We assumed that jurisdiction in this bill and in our report. We do have available various supports which we think we can bring together to bring together the sum total in agriculture as here, but we have made out and I assure the gentleman we will try to carry it out.

Mr. HIESTAND. Mr. Chairman, I move to strike out the last word, and I do this to seek information. I have listened to the debate rather carefully and read the committee report, but I fail to see a discussion here of the increase of $150 million in the authorization for rural electrification itself. I should like to ask the chairman of the committee to give us some kind of summary of that $150 million increase. The committee has done a careful job otherwise, and I am sure he must have a satisfactory explanation.

Mr. WHITTEN. For the gentleman's information, the budget sent down by the Bureau of the Budget to the committee provided $150 million. To read that, it would indicate that that was the sum total stated by the Bureau of the Budget. In talking to the Department when the Department witnesses came before us to justify that action, they presented to us a proposed legislative amendment to the existing law which would provide for the borrowing of money by the Rural Electrification Administration from outside sources that would last half of the next fiscal year. At this date that bill has not been introduced. It is not now pending before the legislative committee.

In testimony before the committee, the Department witnesses, including the head of the Rural Electrification Administration, and the man from the Secretary's office, under which the supervision or inspection of it comes, testified that the original $150 million, though it does not so state in the budget, was sent down to cover a half year, and their total estimates and requests for what they were seeking for a full year were some $350 million, as I recall. The committee provided $300 million, with the $25-million contingency. It was quite clear that the budget intended, according to the Department, for the full $150 million to come on every year. So the committee provided for the half year.

Mr. HIESTAND. May I ask the gentleman, if he will summarize the program briefly, how the $350 million which he mentioned could be advantageously used compared with the $179 million in last year's bill. There must be some tremendous reasons for the desired increase.

Mr. WHITTEN. Of course, we base our action on the estimate by the Rural Electrification Administration on the number of applications they have pending. Each year you have a carryover of authority from the preceding year. All of those factors entered into this. Then the next thing, they have made, as I recall it, a special survey of the needs of the REA. I am sure the gentleman is familiar with the fact that in recent years the use of the REA current by the subscribers has exceeded the most optimistic estimate of anyone. As the use by the individual subscriber or customer increases, the need for firming up or making larger trunklines available increases, and it results in bigger loans. This is the sum total of the committee's judgment, accepting the statement of the Department based on survey applications, based on estimates, and based on past experience.

Mr. HIESTAND. Would the gentleman say a larger part of the increase is in urban expansion in powerlines or rural?

Mr. WHITTEN. Well, certainly, I would take it to be rural. I have made no survey myself. The gentleman is familiar with the law. It says that it shall be to provide central station current and so forth. I find some of my friends with the utilities quarreling sometimes as to whether they are following that too closely, and we hear a lot of these other things. But, I personally do not have the information to know how much truth there may be in it. But the loans are clearly under the control of the Administrator of the REA and they have it within their power to approve or disapprove these loans. The applicants and the uses are part of the basis on which they should be approved. Certainly, it is within their power to restrict them to the proper use of the funds in line with the REA.

Mr. HIESTAND. The gentleman indicated that there was a survey to see if they could take up a lot more applications.

Mr. WHITTEN. I think there was such a survey by an outside organization. But, also if there was a survey by the Department as to the prospective needs, there would be many of these things that you could find. The gentleman knows that that has existed through the years and it has existed through the years that I have been in the Congress at least.

Mr. HIESTAND. The gentleman is entirely satisfied that this amount is justified?

Mr. WHITTEN. I think it is. But, may I say again to the gentleman, this is in line with what we thought is the real need based on the soundest information available. But, if you had $1½ billion authorization, they would not lend a dollar unless the Department itself determined that there was feasibility and that it would be repaid and that it was a sound loan and that the criteria of the law have been met. Neither would it be taken out of the Treasury until it had been actually approved.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McGOVERN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of asking a few questions of the chairman with regard to the foreign agricultural service section of the bill. I think we are all agreed that one of the most important parts of the agricultural program is the expansion of markets overseas and the expansion of uses for agricultural products in other countries. The agency that is charged with carrying out these functions is the Foreign Agricultural Service. There is an interesting colloquy in part 2 of the hearings at page 965 conducted by the gentleman from Minnesota [Mr. ANDERSEN] in which he very ably developed the point in questioning departmental witnesses, that several very important agricultural attachés were eliminated from the program because of inadequate funds in the 1958 budget. Yet, the committee is recommending the same budget for that purpose again in the fiscal year 1959. I would like to ask the chairman on what basis the committee brings out the same figure again this year in view of the information from the Department that that amount was inadequate for carrying on the program.

Mr. WHITTEN. May I say to the gentleman that we do not always accept the Department's estimate as to how much money they would like to have. If we did, there is no telling how much we would have in this bill. I would like to point out, if I may, in reply to the gentleman, that the appropriations for the Department of Agriculture have increased since 1952 from $796 million to a total of $1,729 million for the present year. If this committee had provided all the funds that all the witnesses who came before us requested, there would be another billion dollars in this bill. But, with the foreign currencies that are available to the Department for use by the foreign agricultural service, since the Department has 17,000 more employees than it had 5 years ago and since we have more than doubled the appropriation that was available to them 5 years ago, we felt that we should tell them to do these extra and special things from the moneys that are available.

As I say, if we had acceded to all of the requests of our colleagues and other witnesses in every instance, and it is something that we would have liked to have gone along with, there would be another billion dollars in this bill. We think it is sound to tell them that, with the employees they have, and the money they have and in view of the increases in the past 5 years, they ought to do a good job. And we believe they can.

Mr. McGOVERN. Does the chairman suggest that the needed additional funds for this program could be taken from those funds available under the Public Law 480 program?

Mr. WHITTEN. They have authority under that law to use it for promoting markets, and various other things, where these Agriculture attachés do the work.

It is a matter of charging this expense up to foreign currencies instead of direct appropriations. It is my view that that source of funds makes it within their range to meet this problem that the gentleman mentions.

Mr. McGOVERN. I thank the distinguished chairman.

The CHAIRMAN. The time of the gentleman from South Dakota [Mr. McGOVERN] has expired.

Mr. ULLMAN. Mr. Chairman, I want to congratulate the chairman and the members of the subcommittee for a thorough and conscientious treatment of this agricultural appropriation bill.

I am particularly concerned that we go forward with an adequate agricultural research program. First, I feel that the grants for State experiment stations should be expanded. In the Pacific Northwest, these experiment stations are making a tremendous contribution not only to agriculture but to the total economic welfare of the American people. They are at the present time handicapped by a lack of funds to carry on much needed experimental endeavors. I urge that the committee will give every consideration to the enlargement of this program.

Another field of research with which I am most concerned is soil and water research experimentation. In the Pacific Northwest, we are in great need of a soil and water research laboratory to study the unique problems of our area. I am greatly disappointed that an item of $1 million has not been included in this budget to set up such a laboratory in the Pacific Northwest.

I am happy to see that the committee has recognized the value of these laboratories by its commendatory statement in its report. I am also pleased that it has recommended to the Secretary that study be given to the needs for a soil and water laboratory in the Pacific Northwest with a view to consideration of such need in connection with the next year's budget. I greatly hope that this item will be included at the earliest opportunity.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, without amendment, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. BONNER, 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. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes, directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection?

There was no objection.

WATERSHED PROTECTION AND FLOOD PREVENTION ACT

The SPEAKER laid before the House the following communication, which was read by the Clerk and, with accompanying papers, referred to the Committee on Appropriations:

MARCH 31, 1958.

Hon. SAM RAYBURN,
The Speaker,
United States House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the work plans transmitted to you by Executive Communication 1698 and referred to this committee and unanimously approved each of such plans. The work plans involved are: Zuber Draw, N. Mex.; Cowaselon Creek, N. Y.; Little Deep Fork Creek, Okla.; Mill Creek, Wis.

Copies of the resolutions are attached.

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

MESSAGE FROM THE PRESIDENT

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

PERSONAL ANNOUNCEMENT

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DIGGS. Mr. Speaker, I ask that the RECORD show that had I been here this morning I would have voted "yea" on rollcall No. 38 in connection with the Civil Rights Commission. I was detained because of official business and could not arrive in time.

ADVERSE EFFECTS OF IMPORTED JAPANESE PLYWOOD

The SPEAKER. Under the previous order of the House, the gentleman from Washington [Mr. MACK] is recognized for 60 minutes.

Mr. MACK of Washington. Mr. Speaker, on yesterday when I was granted a special order of 60 minutes I telephoned the gentleman from Oregon [Mr. PORTER] and told him I was going to take a position on the floor of the House today in opposition to statements he had made during a discussion of the plywood employment situation in the Northwest. I am very happy to notice that the gentleman from Oregon is here to listen to my remarks. I shall provide him time to make such answer to my speech as he wishes.

Mr. Speaker, the gentleman from Oregon [Mr. PORTER] on March 27, 1958 made what seemed to me a most amazing speech. In that speech, as reported in the CONGRESSIONAL RECORD, the gentleman from Oregon [Mr. PORTER] said that the vast quantities of plywood which now are pouring into the United States, shipload after shipload from Japan, have had no appreciable effect on the employment or prosperity of the plywood workers of Oregon or Washington.

Plywood imports from Japan increased from 13 million square feet in 1951 to 686 million square feet last year—a fifty-two-fold increase. In short, there came into the United States every average week in 1957 as much Japanese plywood as was imported from Japan in the entire year of 1951.

The 686 million square feet of plywood which came into the United States last year from Japan had a wholesale value of about $60 million and was the equivalent of the output of 12 large plywood plants employing 5,000 people. The gentleman from Oregon's claim that these vast imports of plywood has not affected the employment or income of Pacific Northwest plywood workers is beyond my comprehension.

The gentleman from Oregon's lack of concern over the vast and growing imports of Japanese plywood that are coming into the United States, I am sure, is not shared by the vast majority of the people of his State or of mine.

For example, I repeatedly have received resolutions from the Lumber and Sawmill Workers, AFL-CIO, which is the bargaining agency for thousands of Oregon-Washington plywood union workers, declaring that these Japanese plywood imports are putting large numbers of their union members out of work and curtailing the income of union workers. These union resolutions invariably have expressed concern over these growing foreign plywood imports upon the employment and earnings of their members, and urged either quotas or tariffs as a means of relief.

At a convention in Spokane, Wash., of the Oregon-Washington and Idaho members of this woodworkers union the delegates declared that Japan is buying logs from Russia, making cores for plywood from these logs and expressed the fear that plywood made from these Soviet logs is among the plywood now coming into the United States at the rate of $60 million a year.

Many editors of Oregon and Washington, especially those of communities where plywood industries are situated, have written editorials calling these growing imports of plywood a menace to the economy of their communities and of the entire Pacific Northwest.

The gentleman from Oregon in his speech of March 27 said in effect that the labor leaders of the plywood unions of his State and mine, and the editors of Oregon and Washington who write editorials deploring plywood imports and asking their curtailment, do

not know what they are talking about or what they are writing about. The gentleman from Oregon [Mr. PORTER] in his speech said these editors and labor leaders—he called them labor executives—have been confused by the massive propaganda campaign of misinformation conducted by the highly paid lobbyists and publicity people of the plywood industry. The gentleman regards reports that workers have been injured by plywood imports as a myth and seems to think Northwest editors when they urge legislation to curtail plywood imports are fighting an imaginary threat not a real one.

At the conclusion of my remarks I will place in the RECORD the full texts of letters and resolutions I have received from unions protesting against the heavy rate of Japanese imports and urging their curtailment. I, also, will place in the RECORD copies of a few of numerous editorials published by newspapers of my area on what Japanese plywood imports are doing to the employment and prosperity of their communities.

In a letter to me from the officers of the Puget Sound District Council of Lumber & Sawmill Workers, CIO–AFL, who say they represent 20,000 workers in the forest-products industry, they request that you exercise every effort at your command to seek a quota on plywood imports.

I was amazed by a statement of the gentleman from Oregon [Mr. PORTER] in his speech in which he said he had received only two protests from his State about the imports of plywood from Japan. I have received hundreds of such protests from plywood workers and their wives of my District. One of the protests he received he said came from the Democratic Central Committee of Grants Pass and the other from a vice president of the Georgia Pacific Plywood Corp.

The Oregonian, of Portland, Oreg., in a news story says the gentleman from Oregon [Mr. PORTER] "rejected the plea of the Grants Pass party organization," meaning the pleas for relief from Japan plywood imports asked by the Democratic Central Committee of Grants Pass, Oreg.

In his speech the gentleman from Oregon said he rejected claims of the Georgia Pacific Corp. that hardwood plywood was in any way competitive with Pacific Northwest softwood plywood.

The gentleman from Oregon in his letter to the Georgia Pacific Plywood Corp. said that no hardwood plywood is produced in his, Mr. PORTER's District. And as to obtaining relief from hardwood imports that "it is, unfortunately, not my problem."

The gentleman from Oregon [Mr. PORTER] said he is convinced that the effect of hardwood plywood imports from Japan, even though these now total 686 million square feet a year, valued at $60 million, have a negligible effect on the softwood plywood industry of the Pacific coast.

It is admited by everyone that the plywood produced in the Pacific Northwest is mostly softwood plywood and that the plywood being shipped into the United States by Japan is mostly hardwood plywood. The gentleman says there is little or no competition between the two species.

I think the gentleman is mistaken. The Western Council of Lumber & Sawmill Workers, AFL–CIO, thinks he is mistaken, for in a resolution adopted at its Seattle convention this powerful union group, in whose membership are thousands of plywood workers, said:

> That because of these Japanese plywood imports there are a great many jobs lost to the economy of the Pacific Northwest.

The newspaper editors, as far as I can ascertain, of plywood producing communities, without exception, think the gentleman mistaken.

The Vancouver Columbian, one of the largest dailies in my District in a typical editorial on the plywood situation said:

> The troubles that are plaguing the plywood industry here and in other parts of the Northwest certainly aren't ameliorated by the large amount of plywood being imported from Japan. Although most of the import is hardwood plywood, whereas our mills here produce softwood plywood, the depressing effect on the market is the same.

The Aberdeen World, of Aberdeen, Wash., which is in the center of what is probably the largest plywood producing area of the Nation in an editorial said:

> We fought a war against Japan that Japan started. After our victory we gave of our resources and knowledge to the Japanese to put them back on their feet. We are under no necessity to open our markets to them now on an unregulated basis such as they have been enjoying to the detriment of our own workers. Even the free traders in Congress should support Mr. MACK's efforts to place Japanese imports on a quota basis. That is needed for the protection of our workers and industries.

The editorials from which these extracts were taken, and several other editorials of similar vein, will appear in full at the conclusion of my remarks.

At the very time the gentleman from Oregon [Mr. PORTER] was making the speech defending imports of plywood from Japan, scores of the plywood plants in his State and mine, judging by a news article I saw in the Portland Oregonian, were down or operating only part time.

In the very month—March 1958—the gentleman from Oregon [Mr. PORTER] was saying hardwood plywood imports were having only a negligible effect on the softwood plywood industry of the Pacific Northwest, softwood plywood was selling, according to the Portland Oregonian, of his own State, for $64 per 1,000 square feet, the lowest price for which softwood plywood has sold at any time in the past 10 years.

Not too long ago standard 3-ply softwood plywood was selling at $90 a thousand square feet and the industry was operating with full employment. Then, by last December the price had dropped, largely due, I think, to Japanese plywood imports, to $72. In January of this year the price of softwood plywood fell to $68 per 1,000 square feet, and in March dropped to $64, the lowest price in 10 years.

What other commodity, I ask the gentleman from Oregon [Mr. PORTER], now sells for less than it did at any time during the past 10 years?

Newsprint made from logs as plywood is today is $134 a ton, or 83 percent higher than it was 10 years ago. Softwood plywood is selling at the lowest price in 10 years.

This comparison means only one thing. It means that the low price of plywood is the result of the competition it faces not from low-cost raw materials, but from the cost of labor.

The minimum wage in the plywood industry of the Pacific Northwest today is $2.16 an hour. In Japan the wage of a plywood worker is 11½ cents an hour. American workers cannot and should not be expected to compete with the 11½-cent hourly wage of Japan.

Unless plywood imports from Japan are curtailed the American plywood worker faces loss of employment or a reduction in wages, either of which would be disastrous for him and his family.

The position taken by the gentleman from Oregon [Mr. PORTER] is in disagreement with that of the members of great unions of the Pacific Northwest whose members work in the plywood plants and as loggers in the forests. The gentleman from Oregon's position is exactly the opposite of that taken by practically all of the editors who have softwood plywood plants in their towns. His position is in disagreement, I believe, with the views of 75 to 90 percent of the people of all walks of life in Oregon and Washington. I say it is in disagreement with what the people of the Pacific Northwest think because in June last year when I took a poll of public opinion in my District among the questions I asked of voters was: "Do you favor imposing quota limits or tariffs in order to slow down imports of plywood, fish, watches, textiles that are now coming into the United States in increasing quantities?"

Of these answering that question 4,741 said they favored restrictions on imports, 740 expressed themselves as opposed to restrictions and 302 said they had no opinion on this issue. In short, of those answering the question "yes" or "no," the vote was 7 to 1 for imposing restrictions on such imports either by quotas or by tariffs. If that same question were asked by me of the people of my District today, now that the plywood situation due to imports has worsened, I believe that 90 percent of all the people in my area would say they are for restrictions on imports.

We do not ask that the Japanese be cut entirely out of our plywood markets. We say quotas that would reduce Japanese imports to about one-third of their present volume and value is desirable. Japan then could enjoy a $20 million share of our plywood market which was far more plywood business than Japan ever had in the United States in any year prior to Pearl Harbor.

I hope that the gentleman from Oregon [Mr. PORTER] when he studies the plywood situation more closely will come to the conclusion that the plywood union workers, who have lost their jobs, that

the western editors and that the Republican Congressmen who want quotas on plywood imports have not been confused by what he called "the massive propaganda of misinformation of highly paid lobbyists and publicity people of the plywood industry." I hope he will come to see that it is he, rather than they, who is confused and that his confusion results from his listening too often and too long to the massive propaganda of misinformation of the highly paid lobbyists and publicity people of the plywood importer groups.

I append to my speech letters and resolutions sent me by woodworkers unions of the Pacific Northwest, thousands of whose members are employed in the Oregon and Washington plywood industry:

RESOLUTION OF LUMBER AND SAWMILL WORKERS, LOCAL UNION 3009, GRANTS PASS, OREG.

IMPORTATION OF JAPANESE PLYWOOD

Whereas the undersigned workers are actively engaged in the lumber industry; and

Whereas in the area of Local 3009 comprising the County of Josephine and part of the county of Jackson, State of Oregon, there are 2,000 men employed in the lumber industry; and

Whereas all of these men are directly concerned with the impact of Japanese plywood imports on the economy of the lumber industry; and

Whereas in 1951 Japanese plywood imports were 1 percent of the domestic consumption of plywood, in 1952 Japanese plywood imports were 2 percent of domestic use, in 1953 Japanese plywood imports were 10 percent of domestic use, in 1954 Japanese plywood imports were 23 percent of domestic use, in 1955 Japanese plywood imports were 28 percent of domestic use, in 1956 Japanese plywood imports were 33 percent of domestic use, and for the first half of 1957, Japanese plywood imports were 42 percent of domestic use for a total of 806 million square feet in the first half of 1957: Therefore be it

Resolved, That Senator MORSE, Senator NEUBERGER, and Congressman PORTER take such action as to either restrict Japanese plywood imports or advance the tariff rates on Japanese plywood imports to a degree whereby domestic manufactured plywood would have a competitive market.

WESTERN COUNCIL,
LUMBER AND SAWMILL WORKERS,
Portland, Oreg., March 1, 1957.

The Honorable RUSSELL V. MACK,
House Office Building,
Washington, D. C.

DEAR SIR: Enclosed you will find a copy of a resolution dealing with the importation of Japanese plywood, which was unanimously approved by the delegates at the recent 20th Anniversary Convention of the Western Council of Lumber and Sawmill Workers of the United Brotherhood of Carpenters and Joiners of America, held at Seattle, Wash., February 11–14, 1957.

The resolution itself is self-explanatory, but we wish to emphasize that the steady increase of importation of Japanese plywood over several years has been of great concern to the members of our union. The plywood industry in the Western States is currently suffering from overproduction and many of our members are unemployed or working part-time, and import increases serve to aggravate this condition.

We respectfully request that you lend your efforts to achieve the objective set forth in the enclosed resolution.

Very sincerely yours,

EARL HARTLEY,
Executive Secretary.

RESOLUTION OF WESTERN COUNCIL OF LUMBER AND SAWMILL WORKERS

RESOLUTION NO. 6—JAPANESE PLYWOOD

Whereas the importation of Japanese plywood has increased from 70 million feet in 1951 to 700 million feet in 1956; and

Whereas since it would take in excess of ten 250-man plywood plants to produce 700 million feet of plywood per year, there are a great many jobs lost to the economy of the Western States; and

Whereas the Japanese plywood is produced under substandard conditions and at wages no American workers could live on; and

Whereas because of the substandard wages paid Japanese workers, their plywood can and is being imported at prices below what it costs to produce it here: Now, therefore, be it

Resolved, That the Western Council of Lumber and Sawmill Workers here assembled in Seattle, Wash., reaffirm its position that an adequate quota should be established on Japanese and all other imported plywood in order to protect the jobs of workers in the plywood industry; and be it further

Resolved, That copies of this resolution be sent to Congressional delegates of all the Western States.

EARL HARTLEY,
Executive Secretary.

LOCAL NO. 2843,
LUMBER AND SAWMILL WORKERS,
Everett, Wash., May 20, 1957.

Hon. RUSSELL MACK,
House of Representatives,
Washington, D. C.:

We of Local 2843, Lumber and Sawmill Workers wish to inform you of our concern about legislation to raise the tariff on plywood and peeled veneer and also to cut the quotas. We voted at our regular meeting May 14, 1957, to urge you to support legislation which calls for higher tariff and quota cuts.

Yours truly,

JAMES SEIM,
Recording Secretary.

PUGET SOUND DISTRICT COUNCIL,
LUMBER AND SAWMILL WORKERS,
Seattle, Wash., April 30, 1957.

Hon. RUSSELL MACK,
United States Congressman,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN MACK: No doubt you are aware of the fact that due to the importation of Japanese plywood manufactured by cheap labor has compelled the operators in the plywood industry on the Pacific coast to reduce their workweek from 5 days per week to 4 days per week, thereby reducing the take-home pay of our members by 20 percent.

Since 1951, there has been an increase of 4,000 percent on Japanese plywood shipped into the United States, the cost of manufacturing this plywood in Japan is $4.17 per 1,000 square feet compared to $30 per square feet in the United States.

The officers of the Pudget Sound District Council of Lumber and Sawmill Workers, AFL–CIO, and the affiliated local unions with a membership of approximately 20,000 in the State of Washington, request that you use every means at your command to seek a quota on plywood imports through regulation or legislation to limit consumption of hardwood plywood manufactured for sale. Thanking you for the consideration and support you have given us, I remain.

Very truly yours,

MICHAEL T. COSTELLO,
Secretary.

EDITORS ASK RELIEF FROM JAPANESE PLYWOOD IMPORTS

Editorials from various newspapers follow:

[From the Columbian, Vancouver, Wash., of March 22, 1957]

PLYWOOD WORKERS NEED PROTECTION FROM CHEAP JAPANESE IMPORTATION

The troubles that are plaguing the plywood industry here and in other parts of the Northwest certainly aren't being ameliorated by the large amount of plywood being imported from Japan. Although most of the import is hardwood plywood, whereas our mills here produce softwood plywood, the depressing effect on the market is the same.

The Japanese plywood, produced by less than 12-cents-an-hour labor, is being sold at such low prices that in many areas imported hardwood plywood sells for less than softwood plywood. This reduces the market for plywood manufactured in Vancouver and other parts of the Northwest and is partially responsible for the current curtailed production schedules.

Representative RUSSELL MACK has introduced a bill in Congress that would limit Japanese imports of plywood to 15 percent of the previous year's consumption. Last year's consumption of hardwood plywood in the United States was a billion and a half square feet, of which 707 million feet were imported. The Mack bill, in effect, would cut the permissible imports by about 500 million feet. American mills would get this business and thereby many jobs would be restored.

As Representative MACK pointed out in a recent speech before Congress, everybody suffers from the current decline in plywood production with its resulting unemployment. When we import too much plywood we are in fact exporting jobs—the jobs of American workers.

We agree with Mr. MACK that it is far better for the solvency and prosperity of the country that plywood industry workers should be lined up paying income taxes than be forced into the lines of those drawing unemployment benefits.

[From the Longview Daily News, Longview, Wash., of March 21, 1957]

JAP PLYWOOD GROWING THREAT

Since 1951, when tariffs upon importation of foreign plywood were cut almost 50 percent, the plywood industry in this country has watched with growing concern the increasing flood of Japanese plywood imports.

The reduction in tariff by this country enccouraged the development of a plywood industry in Japan based upon cheap labor and abundant supplies of hardwoods in east Asia. In 1951 Japan supplied about 7 percent of the plywood used in this country. By 1956 Japan was supplying 35 percent and other foreign nations another 11 percent.

While these inroads were recognized by the industry, no serious alarm was evident until the current building slump hit plywood producers a serious blow.

The Japanese hardwoods, of course, compete primarily with our own hardwood plywood. But in some areas the price of Japanese hardwood plywood is so low that buyers use it in place of our own Douglas Fir plywood.

While the quality of the Japanese product is not considered up to American plants standards—particularly in gluing—it is adequate for interior use and is thus able to compete with domestic interior grades.

Although our country is committed to a certain amount of support for the Japanese economy—both to retain a valuable market and to keep an ally solvent—there is a growing feeling in timber States that some steps must be taken to protect American plywood plants.

Several bills have been introduced in Congress, one of them by Representative RUSSELL V. MACK, to limit importation of Japanese plywood. MACK's bill would limit imports to 15 percent of domestic consumption.

With many mills closed altogether and others on shortened workweeks, it is apparent that protection of some sort is indicated. But the suggested quotas appear to be an arbitrary blow to an economy we once destroyed and now have undertaken to rebuild.

If a reduction in tariff caused the present problem, and discussions in Congress indicate that this is the case, adjustment of tariffs to make the prices competitive seems the obvious solution.

[From the Aberdeen (Wash.) Daily World]

JAPANESE IMPORTS

Representative MACK's appeal to Congress to check the imports of Japanese plywood into this country and reduce the amount of fish products the Japanese will be allowed to enter in our markets certainly will have the applause and support of all the people in the harbor district and of the people of western Washington in general. In fact, it should have the support of the whole Pacific Coast and the Nation at large.

Mr. MACK is not asking for a protective tariff on Japanese goods or products, but he thinks, and rightly so, that these imports should be put on a quota basis. Free traders will object to that, but the plain fact is that American workers cannot, will not, and should not be out of jobs because they cannot compete with the 11 cents an hour wages paid in plywood plants in Japan nor can our fishermen live on the slim proceeds that Japanese fishermen do.

Granting that the American plywood workers and fishermen are more skillful and more competent than the Japanese, still the spread between the low pay of the Japanese and that of Americans is too great to overcome the differences between the two countries.

Mr. MACK cited that some 5,000 American plywood workers are out of jobs due to the $60 million Japanese plywood imports and that the Japanese are undermining the American fishing industry. We can't stop Japanese from fishing Pacific ocean waters but we can and should say that the Japanese can import only a definite quantity of the 149,414 tons of salmon and a million tons of crabs that the Japanese poured into the American market last year. As for plywood, its price has dropped and dropped, but still it cannot compete with the 11½ cents an hour Japanese plywood.

We fought a war against Japan that Japan started. After our victory we gave of our resources and knowledge to the Japanese to put them back on their feet. We are under no necessity to open our markets to them now on an unregulated basis such as they have been enjoying to the detriment of our own workers. Even the free traders in Congress should support Mr. MACK's effort to place Japanese imports on a quota basis. That is needed for the protection of our workers and industries.

[From the Daily Chronicle, Centralia, Wash., of March 16, 1957]

LIMITED IMPORTS WOULD HELP PLYWOOD INDUSTRY

In an effort to overcome the harmful effects on the plywood industry by the drastically reduced tariff on plywood imports put into effect by the Truman administration, Congressman RUSSELL MACK has taken steps to limit plywood imports into the United States. The Congressman, in introducing the bill, pointed out that the Northwest plywood industry cannot and should not be expected to compete with the 11½ cents an hour wage of Japan. Mr. MACK's bill does not raise the tariff on plywood but would limit its importation to a quantity not to exceed 15 percent of the domestic consumption of the previous year.

The bill which Mr. MACK introduced, if it had been in effect last year, would have limited hardwood plywood imports to about 225 million square feet as compared to the 705 million square feet actually brought into this country. The result would have been that American producers wold have received orders for about 500 million square feet more than they actually did. This extra business would have meant that our American plywood plants could have operated at full time instead of on a curtailed basis and there would have been little or no unemployment in the industry.

In 1951 the Truman administration drastically reduced the tariff on plywood imports cutting it from 40 percent on the wholesale value to 20 percent. From the moment that the tariff was reduced, Japan's exports of plywood to the United States began to increase. They have been continuing to increase by leaps and bounds ever since. Congressman MACK pointed out that the unemployment in this great industry has become so large that it now is apparent to everyone who knows this industry that something ought to be done promptly by Congress to slow down Japanese imports of plywood into this country.

Although the American consumption of hardwood plywood has increased from 871 million square feet in 1951 to 1,500 million square feet in 1956 the actual production of hardwood plywood in the United States has decreased. The decline in American production was from 871 million square feet down to 810 million square feet. During this same period the amount imported from Japan has jumped from 67 million square feet to 527 million square feet.

Congressman MACK says that the present weakness in the plywood sales and employment is not that of overproduction but because of overly large imports of plywood from Japan. In support of his proposed limitation on the importation of plywood Congressman MACK says that American workers cannot and should not be expected to compete with the starvation wages of the Orient.

[From the Bellingham (Wash.) Herald of February 7, 1958]

JOBS AT STAKE

As the going gets rough we find that, in the words of Grover Cleveland, we face a condition and not a theory—this time on the question of protecting American jobs from low-cost foreign competition by establishing import quotas.

Third District Congressman RUSSELL V. MACK pointed up this problem in a speech in the House this week in which he said plywood and fish products imports from Japan are destroying thousands of jobs for American workers in the Pacific Northwest.

Yet, he added, those who are fighting to protect these jobs are running up against stone walls because free trade advocates in both major parties are blocking reasonably needed restrictions on imports. Although bills designed to correct the situation are before the House Ways and Means Committee, the committee so far has refused to set them for hearings. One would direct the Tariff Commission to conduct hearings that might lead to invoking the peril point against imports. The other would limit plywood imports to one-third their present volume.

Plywood imports from Japan in 1957 were valued at $60 million and in quantity were about equal to the output of 12 large plywood plants. Congressman MACK said these imports are depriving 5,000 Americans of jobs.

Further, the Third District Representative said Japanese fishermen last year caught 149,414 tons of salmon and almost 1 million dozen crabs, adding that canned salmon and canned crab imports are undermining the American fishing industry because American workers cannot compete with the 11½-cent wage rate paid in Japan.

Congressman MACK has made clear the damaging effects of such competition in the Pacific Northwest. Without protection thousands of American jobs will go down the drain.

The gentleman from Oregon [Mr. PORTER] is quoted in the Portland Oregonian as follows:

Many people of the Pacific Northwest, even some of those closely connected with the plywood industry, do not know that Japan has already set up a voluntary export quota on hardwood plywood shipped to the United States, said Congressman PORTER. The quota is 400 million square feet a year, a considerable reduction from the amount shipped to the United States from Japan last year.

I would like to ask the gentleman from Oregon the source of his information. He says that the men in the plywood industry do not have this information; the Commerce Department does not have the information; I myself, and I think other Congressmen from the State of Washington, do not have the information that he claims to possess that Japan has voluntarily reduced her imports to 400 million feet a year or to about 60 percent of what was imported in 1957.

I would like to know the source of the gentleman's information on this voluntary limitation on imports.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Oregon.

Mr. PORTER. If I recall correctly, I believe I got that from two sources: first, the Library of Congress. Dr. Piquet, their economic analyst, over there, I believe mentioned it in his report to me. It was also mentioned to me by Mr. Buckley, the vice president of the Georgia Pacific. He said, however, that he did not believe the voluntary quota was working. He thought it could be gotten around by the Japanese.

Mr. MACK of Washington. I have already stated the facts about the alleged Japanese export quota program.

Mr. PORTER. If the gentleman will yield further, I may disagree and certainly I do disagree with my friend from Washington as to the cause of the tragic slump in the plywood industry in the Pacific Northwest, but I do agree with him that it is our duty to be concerned about those causes. I commend him for bringing this to the attention of the House. I am glad he has received an hour for this discussion, and I appreciate his finishing so quickly so that there will be a chance for this side to be presented here, too.

First I should like to ask the gentleman a question, and I hope I will have time to present some of my evidence for him to look at. If this is a cause of the trouble in the Pacific Northwest, why have not the industry spokesmen, the industry leaders, invoked the escape clause in the Tariff Act?

Mr. MACK of Washington. The industry leaders felt it would be more ef-

fective to seek action by the Ways and Means Committee of the House of Representatives. I and others have introduced many bills seeking tariff and quota relief from the Congress. I believe tariff making and quota setting should be done by Congress and not in other places. We introduced resolutions. We have made every effort to persuade the Ways and Means Committee, which of course is controlled by the Democrats, to approve some restrictions of some kind to curtail plywood imports. This committee has not acted.

Mr. PORTER. May I point out to the gentleman that this administrative procedure is available, and so it was in 1955, to the hardwood plywood industry. They found at that time there was no such competition from the Japanese. I suggest that the reason it is not being invoked at this time is that it is certain from the facts as I have set them forth in the RECORD and as I will add to them presently, with the gentleman's permission, that the same result would be forthcoming now.

I call the gentleman's attention to the Tariff Commission's Report on the Escape-Clause Investigation No. 39. This was published on June 2, 1955, and this paragraph appears there:

> Hardwood and softwood plywood are distinguished from one another commercially as well as botanically. The great bulk of the domestic production of softwood plywood is in plants which produce little or no hardwood plywood. Conversely, the preponderant share of the domestic output of hardwood plywood is produced in plants which produce no softwood plywood. Moreover, largely because of differences in their respective physical properties, there is limited substitutability in use between softwood and hardwood plywoods. Various hardwoods are sufficiently preferred in many uses, such as furniture, flush doors, cabinets, and decorative panels, that they command a materially higher price than the softwood plywoods. There is a high degree of substitutability between plywoods of the various hardwood species. (U. S. Tariff Commission, The Production, Importation, and Marketing of Hardwood Plywood in the United States, information obtained in connection with the Tariff Commission's Report on Escape-Clause Investigation No. 39 Under the Provisions of Section 7 of the Trade Agreements Extension Act of 1951, published June 2, 1955, Washington, December 1955.)

I just want to point out to the gentleman that this is the Tariff Commission speaking on the basis of an investigation made by its trained staff. I am pointing out to the gentleman that there is no substantial competition between hardwood and softwood plywood. Japan exports to the United States no softwood plywood. And of the total amount of plywood—if I may just add this figure before the gentleman comments—in domestic production in the first 11 months of 1957, which are the latest figures that the Library of Congress furnished to me, we produced 5.6 billion square feet, and all of our imports from everywhere was only seven-tenths of 1 percent or 3.8 million square feet. So the amount of competition is negligible. You could not even put it in your eye. Anyway, hardwood and softwood plywood do not compete, according to the findings of the Tariff Commission.

Mr. MACK of Washington. Let me reply to the gentleman. Plywood is plywood just as potatoes are potatoes. If you sell hardwood plywood at a price that is lower than the price of softwood plywood, it will always have a market. Hardwood plywood can be used for practically anything, even for the building of barn doors, that softwood plywood can be used for. Hardwood plywood will be used in places where softwood was used if hardwood prices are low enough. I was in a Navy construction shack at Pacific Beach, Wash. There was a little straight up and down board shack. Inside the shack were mahogany doors made of Japanese mahogany plywood. I told this story to the director of one of the logging companies. He said he had recently visited some of his camps in the vicinity of Everett and found hardwood plywood mahogany doors suitable for use in high priced homes being used in bunkhouses in his own logging camps. The gentleman may not think that $60 million of Japanese plywood is any substantial quantity, but that is 10 percent of the entire exports of Japan to the United States. It also represents the jobs, and this is based on information from competent authorities, of 5,000 men who work in the plywood industry plus 3,000 more who are employed in the woods to supply the raw materials on which these plants operate.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. SIMPSON of Pennsylvania. I want to commend the gentleman from Washington and his associates as well, and associate myself with them in protesting against the excessive imports of plywoods from Japan and elsewhere to the injury of the American workers who are employed in the lumbering industry of the Northwest. The proof of the pudding is in the eating and the proof that excessive imports of plywood exist is evident to anyone who knows the Northwest. The measure of its effect is the unemployment which exists in every lumber camp on the northwestern coast. Certainly, it is obvious to anyone who listened to the testimony presented before the Committee on Ways and Means recently. All interested in domestic production of plywood testified in effect and conclusively as employers, as investors, but particularly as workers, regarding the bad effect of these imports on employment. They came before the committee in person or by their written statements and they all agreed that the excessive imports of plywood are the basic cause for the unemployment which exists in the lumber industry in the Great Northwest. They were seeking the support of their Representatives in the Congress to pass legislation to provide a law which would be effective in giving relief in this vast area of unemployment. They were appealing to their Representatives. And I commend the gentleman from Washington [Mr. MACK] for his testimony here today.

May I ask the gentleman this question. We are talking now of an industry in Japan which employs exceedingly cheap labor, measured by the dollars and cents that we pay our employees in these lumber camps in the United States. What does the gentleman know of the Japanese industry's plant equipment, know-how, and skill in manufacturing plywood?

I ask the gentleman, are we talking about an industry in which they use poor equipment, or are they using modern equipment?

Mr. MACK of Washington. From the discussions with men who have visited Japan, the equipment used in the plants in Japan is equal to the best equipment used in the American plywood mills.

Mr. SIMPSON of Pennsylvania. May I say further that the gentleman referred to the so-called voluntary agreements which are made on the part of the industry leaders and the Japanese Government with respect to this matter of plywood. There was no testimony of any effective agreement whatever. Indeed, the fact that the agreement is voluntary implies that there is no commitment whatever made on our part, no quid pro quo, no reciprocity of any kind. It is a matter proposed by the Japanese as a matter of self-defense; the means by which they say, "We will do no more of this, provided you do not have Congress exercise its authority and impose quotas upon these excessive imports."

I suggest if we rely upon foreign countries to make voluntary agreements among themselves to curtail importations into this country on those items which cause unemployment, then we are relying upon a group of people in a foreign country to protect our industry, which is contrary to the intent of the Constitution and contrary to the intent of our form of government. I would place no reliance whatever on these so-called voluntary agreements.

Mr. MACK of Washington. I thank the gentleman.

The gentleman from Oregon [Mr. PORTER] said he had received only two protests from the people of his District, one from the vice president of the Georgia Pacific Co., and the other from the Democrats of Josephine County at Grants Pass. If the gentleman has not received any protests from the people of his District, I predict he is going to receive them. I received a letter this morning written by the Lumber and Sawmill Workers, Local 3039, Grants Pass, Oregon. This letter was addressed to Mr. Jackson Beaman, of the Southern Oregon Plywood, Inc., Postoffice Box 269, Grants Pass, Oreg. It reads:

> DEAR MR. BEAMAN: We are enclosing a copy of our resolution on the importation of Japanese plywood. At the present time we have secured approximately 1,000 signatures to this petition of protest.

Then the petition of protest is attached. It says:

> Whereas the undersigned workers are actively engaged in the lumber industry; and
>
> Whereas, in the area of local 3039 comprising the County of Josephine and a part of the County of Jackson, State of Oregon, there are 2,000 men employed in the lumber industry, and all of those men are directly concerned with the impact of Japanese plywood imports on the economy of the lumber industry.

Then it cites the growths of plywood products from 1951 up to date. It concludes:

Therefore be it

Resolved, That Senator MORSE, Senator NEUBERGER, and Congressman PORTER take such action as to either restrict Japanese plywood imports or advance tariff rates on Japanese plywood imports to the basis whereby the domestic manufactured plywood would have a competitive market.

The union is making photostats of these petitions with a thousand signatures of people in the lumber industry in the two counties in the gentleman's District. They are sending them to him and to the two Senators.

Mr. BAKER. Mr. Speaker, I commend the gentleman from Washington for his efforts both today and in the past to restrict excessive imports of plywood.

The Ways and Means Committee of which I am a member has just finished 5 weeks of hearings, morning and afternoon, on this general subject. People who attended those hearings could have no doubt but that excessive imports of plywood from Japan have inflicted such serious injury upon the American industry that the top tariff should be imposed and that quotas should be imposed.

I am completely convinced from the hearings before our committee that a voluntary system of restricted imports whether it be of plywood, residual fuel oil, petroleum itself, lead, zinc, or whatnot, will not work, because it has been proven, I may say to the gentleman from Washington, in the last few days that it did not work in the petroleum industry. The executive department so recognized by their action on this point a few days ago, although the Commission in my opinion committed a grievous error in not including residual fuel oil in the order they made which said that distilled products were not included, and that in effect residual fuel oil did not come in.

I again compliment the gentleman from Washington and I suggest to the gentleman from Oregon that he read the hearings before the Committee on Ways and Means. You will find tremendous support of the statement I have made that serious injury has been inflicted upon the great plywood industry of the Northwest.

Mr. MACK of Washington. I thank the gentleman from Tennessee. There are a number of gentlemen on their feet. I took 60 minutes' time for this discussion becouse I thought that since the main tenor of my speech was an attack upon the position of the gentleman from Oregon that I should give him ample opportunity to reply. I will yield to him next; then I will come back to gentlemen on the left side of the aisle who desire to ask questions.

Mr. Speaker, I yield to the gentleman from Oregon.

Mr. PORTER. I thank the gentleman from Washington.

First of all, about the editorials which have appeared in favor of the gentleman's position and the labor people who are apparently concerned about the Japanese imports, let me say that if the facts are as Dr. Piquet of the Library of Congress has found them to be and as the Tariff Commission says they are, then it seems to me they will have to look at the facts, and I know my friends will want to look at the facts to remove an apparent misunderstanding by others.

The facts in this case are that the hardwood plywoods and the softwood plywoods do not compete. That is a fact; they are used for different purposes. All the softwood plywood which we make out of Douglas-fir is used largely in building for construction purposes—almost exclusively. Douglas-fir plywood also has always been substantially cheaper than the cheapest Japanese plywood imports. When quarter-inch A grade Douglas-fir plywood is selling at $72 a thousand square feet, Japanese hardwood plywood A grade is selling at $117.50. During the recent price break when Douglas-fir plywood was selling as low as $64 per thousand, the comparable Japanese plywood was selling at $101. In other words, they do not compete in use or in price.

There is no evidence supporting the position that the gentleman is maintaining, there is no good evidence. If serious injury is being done, why does the gentleman not bring it before the Tariff Commission and have the Tariff Commission invoke the escape clause?

Mr. MACK of Washington. I will say to the gentleman from Oregon that he is trying to sell me a bill of goods and that he is doing a very poor job; further, he will have a very difficult job selling it to the thousand plywood workers who signed petitions against plywood imports.

Mr. PORTER. If the gentleman will yield, I intend to be in my District next week. Then I will be telling the facts as I see them; and if the gentleman is willing to meet me on neutral ground I will be glad to debate this matter with him for the education of our respective constituents, some of whom need to be educated with regard to all the facts of the Japanese imports and the plywood market in the Pacific Northwest. It was said by the gentleman that there were 19 hardwood plywood plants temporarily closed as of March 6.

Mr. MACK of Washington. I quoted that from the front page story taken from the Portland Oregonian which listed all of the plants that were closed down for 7 to 10 days because of lack of orders.

Mr. PORTER. But not because of the importing of hardwood plywood from Japan which the gentleman said was the cause. If the gentleman is interested in why these plants are closed, I think I can give him the information.

An analysis of these 19 plants shows that their total plywood capacity, on a three-eighths of an inch basis per year, is 958 million square feet. Of this total capacity, the capacity for production of hardwood plywood totals only 19 million square feet. Thus, less than 2 percent of the plywood capacity of the mills listed could in any way be affected by imports of hardwood plywood from Japan. The listed plants and the Douglas-fir plywood industry generally have been having their difficulties in recent years, but these difficulties bear no relation to the imports of hardwood plywood.

Similarly, on March 24, the gentleman from Washington claimed that imports of Japanese plywood into the United States were made with Russian lumber. As authority for his claim, the gentleman cited a news report that Japan had purchased substantial quantities of lumber from the Soviets. However, this same news report pointed out that the Russian lumber was softwood lumber, and that it was to be used in Japan for pulp and for construction. How this Russian softwood lumber could be converted into Japanese hardwood plywood has never been explained. As a matter of fact, none of this Russian lumber is used in the production of plywood that is shipped to the United States. This has been certified by the Japanese Government itself, as well as the Japanese Plywood Manufacturers Association. The customs examiners on the west coast have stated that they know of no softwood, whether Russian or otherwise, contained in the hardwood plywood imported from Japan. And Secretary of Commerce Sinclair Weeks only last week stated to the Ways and Means Committee of the House that there is no proof that any of the hardwood plywood from Japan contains softwood in any form.

Mr. MACK of Washington. The gentleman quoted Secretary Weeks. Just the other day I had a report from the Commerce Department, the Department of Commerce Foreign Trade Impact Study, which made a survey in my district. It says the plywood industry is being injured. It said although a small amount of softwood plywood is imported into the United States, the domestic industry, which produced at 81 percent of production capacity in 1957, would be faced with an even more depressing situation if more hardwood plywood had been imported with softwood plywood in certain plywood markets. That is the statement of Secretary Weeks.

Mr. PORTER. Very negligibly. As a matter of fact, they are used for very different purposes, and anyone in the industry will attest to that. They are used for different purposes; they sell at a different price. With the price being $20 to $50 more a thousand, how can they compete? They do not compete.

Ironically, it seems clear that big plywood companies would gain little even if they were successful in throttling the import competition. The Tariff Commission pointed out that the imports of hardwood plywood were not displacing sales of domestic hardwood plywood, but were supplementing those sales by creating new markets within the United States. Mr. Jack Davidson, president of the Imported Hardwood Plywood Association, and himself a producer of Douglas-fir, stated to the Ways and Means Committee last month that if the $36 million worth of plywood from Japan were stopped the sales of domestic hardwood plywood might increase by as much as $1 million, but the result would be the destruction of the flush-door manufacturing industry, including many door plants in the Pacific Northwest, which

are dependent entirely upon imported plywood for their very existence.

Mr. MACK of Washington. The gentleman from Oregon has cut the figure on Japanese imports from $60 million down to $34 million. He cut it $26 million. The dutiable price on plywood—all types, the very high grade as well as the cheap grade—is figured at $65 at shipside in Japan. That means the plywood brought into this country at the price it cost on the dock in Japan was $45 million. So $60 million is a very conservative estimate on the plywood brought from Japan and the 8,000 employees that this forced out of employment of the plywood and lumber industry is also a very conservative estimate of the number who have lost their jobs due to plywood imports.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, will the gentleman yield further?

Mr. MACK of Washington. I yield to the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. I want to say that the important question before the country today has to do with unemployment. The fact is—and it is uncontradicted—that as the imports of this plywood from Japan come into the United States, employment here goes down. Whether it is hardwood or softwood, it is plywood, and the American workers who formerly made plywood are out of work. That is the subject we are addressing ourselves to, and I commend the gentleman.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. In my district 15 percent of the labor market is out of work, principally due to the fact that imported residual oil from Venezuela has taken over the eastern seaboard coal market from our mines. Is it not true that if the importation of plywood from Japan would stop, many of the 8,000 unemployed in your area would go back to work?

Mr. MACK of Washington. They would go back to work tomorrow morning.

Mrs. GREEN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. I would like to commend my colleague from Oregon for the very thorough study that he has made of this whole question of Japanese imports and exports and the effect that the Japanese exportation of plywood has had upon the economy and upon the mills in our own State of Oregon. I am rather surprised at the large amount of mail which the gentleman from Washington has received objecting to the importation of plywood. I represent the district right across the river, and I have only received two letters during this entire year objecting to Japanese plywood coming in. I would also like to commend my colleague, the gentleman from Oregon [Mr. PORTER] for pointing out the variety of reasons for which the mills in our State, and I am sure in the State of Washington, have been closed, and I would agree with him that the primary reason has not been the importation of Japanese plywood but other reasons in our economy. I would also like to call to the attention of my colleagues in the House the very fine way that the gentleman from Oregon has represented the working people of our State. He has represented not only the working people but the business interests and all groups in Oregon in a very commendable fashion. He has worked most diligently in securing new industries and new payrolls for his district. In light of this, the unions of my State have just seen fit to reendorse him in the next Congressional race, so they certainly have been satisfied with his representation. I am sure that the endorsement by the unions included those who are in the sawmill and in the lumber business.

I would like to ask the gentleman from Washington, when he objects to the exportation of Japanese plywood, does he object to the Japanese importing a great many of the goods which we manufacture in Oregon and in Washington and in the other 48 States? If my memory serves me correctly, Japan is importing twice as much in the way of goods from the United States as she is exporting to the United States. If the gentleman objects to the Japanese plywood coming in, then, of course, he would have to be consistent and say that Japan would have a perfect right to object to our exports into her country. Reciprocal trade is just what it says—a two-way street.

Mr. MACK of Washington. I suppose that 50 percent of the imports of Japan from the United States is southern cotton. Now, the gentlemen from Texas and the gentlemen from other Southern States are here representing the cotton industry. They do a good job of it. They obtain a great deal of money out of the Congress to carry on programs beneficial to cotton. I understand that Japan alone buys 2 million bales of southern cotton every year from the United States. These southern Congressmen are right in defending and representing the interests of their districts in the South. But, my job and the job of the gentleman from Oregon, as I see it, is to defend the workers of the Pacific Northwest, not to help sell cotton for Southern States.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Illinois.

Mr. COLLIER. First of all, I want to commend the gentleman from Washington for bringing this matter to the attention of the House, and I, certainly, for one, appreciate his remarks. There is one thing I want to speak on very briefly, and that is the interchangeability of hard and soft plywood in the area of veneering. It happens to hit very close to home. In my district there is a plant which does veneering work and the two types of plywood are interchangeable. Unemployment at that plant is now twice what it was 2 years ago. The total number of employees is half what it was in 1946. Talking to the people there I find that they have lost 45 percent of their market, due to the importation of hardwood plywood. Hardwood plywood is now being used for veneering, for wall paneling, that sort of thing. In their business it is almost entirely interchangeable. There is one area where unemployment as a result of this is not restricted to the Northwest, but it hits pretty close to home in my district in Illinois. I do think there should be a quota on plywood.

Mr. MACK of Washington. Softwood plywood can be used almost anywhere, except in some of the high uses such as furniture, chair, and cabinet making. Softwood plywood is not so acceptable for these purposes. Also it costs more money to manufacture hardwood plywood. That has made its price higher. Hardwood plywood, however, can be used almost any place where softwood plywood can be used. If the Japanese can dump hardwood plywood on the American market at a price less than that of softwood plywood, the Japanese will find customers for their plywood and deprive Americans of their jobs.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman.

Mr. PORTER. Mr. Speaker, if it is so, that there is a certain amount of interchangeability, you can use some of the softwood plywood. We have some beautiful softwood plywood which is made so that they bring out the grain. But that is only a negligible amount. There can be no competition, because the difference in price is so great. Why would you not buy softwood plywood if you can use it, for $70 a thousand or $68 rather than paying $100 or more for Japanese plywood? In other words, the point that I am trying to make is that they do not compete in price. So far as interchangeability is concerned, it is very minor and would not be brought about because of the difference in price.

Mr. MACK of Washington. As long as the Japanese can produce plywood with 11½-cent-an-hour wages, they are going to outsell softwood domestic plywood here where wages are $2.16 an hour.

Mr. PORTER. That is exactly the point. Their plywood costs more than ours does. That is the point I have been trying to make. Their plywood is used for decorative purposes, for furniture. It costs more per thousand than softwood plywood does, which is used primarily for construction.

Mr. MACK of Washington. If the gentleman is correct, then why did I find hardwood-plywood doors being used in a construction shack at Pacific Beach, Wash., doors that were made in Japan with 11½-cent-an-hour wages?

Mr. PORTER. Mr. Speaker, I shall ask unanimous consent later to insert in the RECORD sometime during this discussion certain editorials, 2 from 2 Republican newspapers in my district, supporting in general my position, and 1 from the Shipping News, which goes into this problem of luan, which is the kind of wood from which they make Japanese plywood. It is used as door skins for

flush doors and that need cannot be filled by domestic hardwood.

The gentleman will see by reading this that in 1953 only 8 percent of the domestic hardwood production was in door skins, mostly in the so-called captive plants.

I shall also ask to put in the RECORD with these editorials, a statement showing the sales and earnings of the leading plywood companies with excerpts from their reports for 1956. These are the big companies and not one of them mentions Japanese imports. You would think, if it were such a severe matter with them and were something we had to worry about, that these reports would mention it. You would think these companies would go before the Tariff Commission and say they are worried about it. But they have not done so.

I shall not bother to read these now except to say that they agree with me that the problem is housing starts, the problem is hard money, the problem is not Japanese imports, because they do not compete either in function or in price.

Mr. Speaker, I ask unanimous consent that these various exhibits to which I have referred may be made a part of the RECORD at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

IHPA'S PRESIDENT CHALLENGES CONGRESSMAN MACK'S STATEMENT THAT JAPAN IS IMPORTING PLYWOOD INTO THE UNITED STATES, USING RUSSIAN LUMBER

Jack Davidson, president of the Imported Hardwood Plywood Association, and vice president of the Pacific Wood Products Co., in Los Angeles, today labeled Representative RUSSELL V. MACK'S statement that Japan is using Russian lumber in the plywood Japan exports to the United States as pure bunk.

Mr. Davidson was referring to the opening remarks made by Congressman MACK of Washington, before the House of Representatives March 24, in which Mr. MACK said, "Mr. Speaker, Japan is now buying logs from Russia and shipping the plywood she makes from these logs into the United States."

Mr. Davidson, challenging Mr. MACK'S statement, said, "Mr. MACK gives as his authority for this statement, an article in the Portland Lumberman, in which this magazine tells of Japan importing soft or coniferous logs from the Soviet Union into Japan." But, said Mr. Davidson, "There is not a shred of evidence in the article that Mr. MACK quotes, that Japan is using the lumber from these logs for use in plywood—for either domestic or export use. Yet this is the article that Mr. MACK quotes as his source. The plywood Japan exports to the United States is hardwood plywood, including the interior veneer or core, and face." Davidson continued. "A hundred door manufacturers and other users of Japanese plywood would attest to this. How then can Mr. MACK account for the use of Russian softwood in a plywood that is entirely hardwood?"

Mr. Deane Sherman, editor of the Portland Lumberman, informs us that he knows of no basis for Mr. MACK'S statement. The Japanese consul's office in San Francisco informs us that they know of no such imports. The Japan Plywood Exporters' Association in Tokyo inform us that not one square inch of plywood using Russian lumber is exported to the United States, "and we know of none," said Mr. Davidson.

"The public, and the thousands concerned over the plywood import question, now under consideration by the Congress, are entitled to know the source of Mr. MACK'S statement made to the House of Representatives," Davidson said. "We have asked him for this," said Davidson.

Imports of softwood plywood

[Thousand square feet, surface measure]

1956

Canada	502
Finland	------
New Guinea	9,306
West Germany	------
Italy	------
Belgium	------
Mexico	87
Sweden	243
Brazil	31
Australia	4
All others	------
Total	10,173

No imports from Japan.

1957

First 11 months: 3½ million square feet.

Projected yearly figure: 3.8 million square feet.

Domestic production: 5.6 billion square feet.

Ratio of imports to domestic production: About seven one-hundredths of 1 percent.

Imports from Japan: None.

IMPORT QUOTAS NO CURE

That the current depression in the plywood industry is not so much due to imports and underconsumption as it is to overproduction is now confirmed by Congressman CHARLES O. PORTER.

According to A. Robert Smith, Washington, D. C., reporter for several Oregon newspapers, PORTER and the other four members of the Oregon delegation have refused to go along with pleas for legislation restricting imports as a tonic for the ailing plywood market.

Basis for the refusal is a report from the Library of Congress which at PORTER'S request made a study of the plywood situation.

The report reveals, to quote PORTER'S latest newsletter, that imports from Japan are currently less than 1 percent of United States consumption and that 99.6 percent of Japanese plywood imported to this country is hardwood plywood, which does not compete with Pacific Northwest softwood plywood but only with plywood manufactured in the South.

According to PORTER'S analysis, the softwood plywood industry expanded its weekly production during 1957 by 8 percent, or from 125 million square feet to 135 million square feet, but that new orders absorbed only 81 percent of the expanded capacity so that the industry was forced to cut production to 82 percent of capacity.

This PORTER blames on "tight money" whch curtailed construction.

Local plywood manufacturers tell us that in general production capacity has been increased about 6 percent and consumption 2 percent. However that may be, the conclusion is the same: the trouble is due to too much plywood in comparison with increases in use, and that had there been no expansion the market situation would not be bad or at least not as bad as it is. So the solution lies in either checking expansion of the softwood plywood industry or in stimulating uses.

To boost housing construction would help, without doubt, but sooner or later a saturation point in housing must be attained. If expansion of the plywood industry should continue, as well might be the case if the market should spurt, we would be right back in the same position that now plagues us.

Obviously, then, the remedy lies with the industry itself. Subsidies, another possible form of relief, could only make matters ultimately worse.

In addition to the fact that Japanese plywood imports are too insignificant materially to affect the market, the curtailment of imports through tariff increases, which had been asked, might have repercussions in other American industries. The United States-Japan Trade Council asserts that Japan bought nearly twice as much merchandise, in dollar volume, from the United States as she sold to this country in 1937. Japan's purchases included logs, lumber, and wheat, all of which are produced in the Pacific Northwest.

Both Congressman WALTER NORBLAD, of Oregon, and Congressman RUSSELL V. MACK of Washington, have sponsored legislation that would limit Japanese plywood imports to 15 percent domestic consumption. NORBLAD, however, is quoted as having said he has received no recent complaints about plywood imports. Furthermore the Japanese have voluntarily adopted a 400 million square foot a year export quota, which will still further diminish United States imports as a market factor.

It is therefore apparent that whatever else may be done, plywood tariff and import quota manipulations are unnecessary and might prove harmful by provoking retaliations.

[From the Grants Pass (Oreg.) Daily Courier of March 20, 1958]

PLYWOOD, OTHER JAPANESE PRODUCTS

Imports of Japanese plywood, vigorously protested by some segments of the industry, are not seriously affecting the market for Pacific Northwest plywood.

This is the report of Charles O. PORTER, Representative in Congress from the Fourth District, following a survey into reasons for below-cost prices that have beset the industry in recent months. The survey was made after a complaint was received from the Josephine County Democratic Central Committee, asking that trade restrictions be set by the United States.

Representative PORTER notes that plywood imports currently are at the rate of less than 1 percent of United States imports and also comprise only certain specialty grades. During the first 11 months of 1957 plywood imports from Japan totaled 783 million square feet, of which 99.6 percent was hardwood plywood, and only four-tenths of 1 percent was softwood plywood.

However, let us quote Representative PORTER directly:

"Many people of the Pacific Northwest, even some of those closely connected with the plywood industry, do not know that Japan has already set up a voluntary export quota on hardwood plywood shipped to the United States. The quota is 400 million square feet a year, a considerable reduction from the amount shipped to this country from Japan last year.

"There is every reason to believe that Japan would be sensible enough to establish a similar quota for softwood plywood should the necessity arise—but the plain fact is that, at this time, imports of softwood plywood to the United States from all countries are not enough (being two-fifths of 1 percent of total plywood imports) to have any noticeable effect on plywood production in the Pacific Northwest.

"Despite statements to the contrary which have received some recent wide circulation, there is virtually no competition between softwood and hardwood plywoods in the United States, since the two products are

used for completely different purposes except in a few instances involving quantities of the product so small that the net effect on the market is negligible.

"I believe the softwood plywood industry is dynamic and progressive in nature. It has well-organized modern research and development facilities and has embarked on a most active and effective trade promotion program in its constant search for new markets. Its future, like that of Oregon, is bright."

The figures provided by Representative PORTER were prepared by the Library of Congress, and thus are of unquestioned authenticity. They should dispel rumors that the current depressed state of the American plywood market is due to imports from cheap-labor countries. Not so easily overlooked, however, is the competition to other American industries from Japanese imports.

A Grants Pass store recently had a window display of women's blouses, at what appeared to us to be a fantastically low price. The blouses were made in Japan. The quality may not be as good as the American-made counterpart, but the styling appeared attractive. Certainly, at the price asked, here was a real value.

Go to another store and you will find Japanese chinaware and ceramics, also of good quality, at prices well under those charged for made in America products. At still another store one can buy cameras and binoculars, also made in Japan, for about half the price charged for comparable American products. These articles also are well made. The newer Japanese cameras compare quite favorably with those imported from Germany, the experts claim.

Japanese labor is paid only a fraction of the wage received by American workers. Japanese imports definitely are causing increased unemployment in the United States; possibly not so much in plywood as in other lines.

Before one jumps to the conclusion that opening the American market to imports from Japan is a gross economic error, some other points should be taken into consideration. For example, the United States-Japan Trade Council reports that Japan currently is buying about twice as much from the United States as the value of the wares she sells here. Last year Japanese bought $1,219,000,000 worth of United States products, of which lumber and cotton were major items. Japanese exports to the United States during this time amounted to $625,000,000.

Obviously Japan cannot buy from us unless she also sells to us. Thus far Japan has been able to compensate for its 2 to 1 unfavorable trade balance through funds obtained through spending by American armed services stationed in that country. The rest of the $1,219,000,000 has been gained through sale of manufactured items in the American market.

Thus, somewhat ironically, trade with Japan provides even more jobs in the United States than Japanese imports eliminate.

That is small consolation to the American workman who is out of a job because the factory that employed him has been forced to curtail or shut down completely because it could not compete with low-priced Japanese products in the American market. It should cause Congress to think twice, however, before raising the tariff wall or placing stiff import quotas on Japanese products.

Entirely aside from domestic considerations we have a world condition that is of paramount concern to the United States and its NATO allies. Japan, although defeated in war and deprived of much of its empire, still is the most highly industrialized nation in the Far East. It has a population of 90 million industrious, intelligent people in an area smaller than the State of California.

Japanese islands are mountainous and only about 15 percent of all land is arable. The nation cannot even come close to producing enough food to meet its needs. Yet the population is increasing at the rate of more than 1 million a year.

It was this expand or explode situation that set Japan on its path of would-be conquest in the last war—a venture that ended in defeat. Today, with far less territory on which to draw and with its natural market, China, closed to many Japanese exports, Japan has turned to world commerce as the only hope for survival. Imports of food are absolutely necessary, but raw materials also must be brought in from all parts of the world. Included are cotton, lumber, wool, petroleum, iron ore, coal, chemicals, and scrap.

These raw materials then are converted into finished products, utilizing skilled but relatively cheap labor, and sold to other countries. Exports at least must balance imports, as mounting population and rising standards of living continue to boost national requirements.

But why should the United States make concessions to a former enemy that attacked us treacherously at Pearl Harbor? Why not allow Japan to collapse completely, rather than extend a helping hand and open our markets to Japanese products?

The answer lies in self-interest, even more than humanitarianism. For Japan is now a free nation and would turn to Soviet Russia if denied survival in the Free World. There is nothing Khrushchev would like better than inclusion of Japan in the Communist orbit—unless it might be the annexation of West Germany. The tremendous industrial potential of either could easily turn the tide against the West, in the present struggle for world domination.

So whether or not we relish the idea the United States must trade with Japan. Thus far we are benefiting from this two-way exchange. That is fortunate, for otherwise demand might be almost irresistible for curtailment of imports that force Americans out of work.

THE PLYWOOD INDUSTRY

I. SOFTWOOD PLYWOOD

Most of the United States plywood industry (about 80 percent) is softwood plywood, chiefly Douglas-fir. This segment of the plywood industry has been in difficulties during the past 2 years, but not because of imports. No softwood plywood of any consequence is imported (census estimates less than 2 percent of total plywood imports are softwood, most of it from New Guinea). Imported hardwood plywood is not competitive with softwood plywood, and is at least 30 or 40 percent more expensive than the United States softwood plywood. (See attachment A, from Tariff Commission report; also attachment B, financial statements of leading plywood companies.)

On March 6, Congressman MACK of Washington listed a large number of plants in the Pacific Northwest which had been closed down for a week or more. He attributed these closings to cheap foreign imports of hardwood plywood. Total capacity of the listed plants is 958 million square feet (on a ⅜-inch basis); of this only 19 million square feet, in only 3 of the plants, is for hardwood plywood, the balance being for Douglas-fir, plus a little hemlock, spruce, and pine. Only 2 percent of the combined capacity is therefore competitive in any way with imports or could be affected in any way by imports. (See attachment C.)

Mr. MACK cites the depressed prices of his plywood producers. On ¼-inch A grade Douglas-fir the price has fallen from $80 last fall to $72 in January to $64 in March. The cheapest price on ¼-inch A grade Japanese plywood has been $97, ranging up to a high of $110 within the last year.

Softwood plywood industry is now improving, both in price and in record sales (see attachment D), but imports have no part in either the ups or downs of this industry.

TABLE 2.—*Sales and earnings of leading plywood companies*

[In thousands of dollars]

Year	United States Plywood		Georgia-Pacific		Atlas Plywood		Roddis Plywood	
	Sales	Income	Sales	Income	Sales	Income	Sales	Income
1956	202,832	25,984	121,305	7,429	58,433	2,273	55,199	1,403
1955	150,565	17,432	91,966	6,203	55,342	n. a.	50,456	1,420
1954	124,067	11,373	68,874	1,795	36,314	2,050	40,236	957
1953	116,200	13,279	66,368	1,205	42,497	3,872	34,026	735
1952	107,642	13,723	63,056	1,916	32,579	1,771	31,778	608
1951	108,450	22,409	62,739	3,177	32,300	6,114	33,429	2,046
1950	69,235	8,757	58,193	3,874	19,065	1,868	27,887	1,893

From Roddis 1956 report: "Gains were made in sales of hardwood plywood, solid-core doors, lumber, and hardwood veneer. Fir plywood, which accounted for 43 percent of your company's total sales in 1955, declined to 35 percent in 1956."

From Atlas 1956 report: "Products which previously had provided the backbone of our profitable sales were being displaced by other products such as paper and corrugated containers * * * The consolidated net earnings * * * reflect the drop in current market prices of fir plywood to the lowest level in years."

From Georgia-Pacific 1956 report: "We have under construction an addition to our Savannah, Ga., hardwood plywood and specialty plant, which will about double our productive capacity at that location. * * * The current economic picture is fairly bright, but one disturbing factor is the decline in housing starts."

From United States Plywood 1956 report: "A decline in softwood plywood prices * * * was reflected in year-end inventory values. As a result, the earnings were adversely affected to the extent of 18 cents per common share."

TABLE 3.—*Breakdown of plywood sales of leading producer—Roddis Plywood Corp.*[1] *sales for years ending Oct. 31*

	Hardwood plywood	Percent of sales	Hardwood doors	Percent of sales	Fir plywood	Percent of sales	Total sales
1956	$11,790	21	$6,969	13	$19,370	35	$55,199
1955	8,357	17	6,938	14	21,897	43	50,456
1954	6,720	17	7,586	19	16,955	41	40,753
1953	5,856	17	3,876	11	11,415	33	34,590
1952	4,864	15	6,241	19	10,136	31	32,262
1951	5,540	18	6,825	21	10,029	31	32,403
1950	5,293	19	6,526	23	8,715	31	27,887

[1] Similar figures are not generally available from other producers, although the annual reports to stockholders (see table No. 2) indicate an identical trend.

NOTE.—All figures and announcements from official periodic reports.

Plywood plants in Northwest cited by Congressman Mack (Congressional Record, Mar. 6)

[Million square feet ⅜-inch basis]

	Softwood plywood	Hardwood plywood
Oregon:		
Pacific Plywood	60	
Grant's Pass	42	
Coquille	130	8
Medford Valley	60	
Oregon Veneer		
Custom Plywood	3	
Brookings Plywood	66	
Cascades Plywood	150	
Western States Plywood	50	
Washington:		
Centralia	50	
Mount Baker	50	
Hoquiam	27	
Elma	24	
Hardal	36	
Totem	36	7
Northern California:		
Interstate Container	30	
Durable	48	
Lund	36	4
Northern California	60	
Total	958	19

Hardwood plywood capacity of listed mills, 2 percent.

[From the Wall Street Journal of March 11, 1958]

PLYWOOD PRICES RISE IN NORTHWEST—ORDERS SET RECORD IN RECENT WEEK—CHIEF MILLS NOW QUOTING $67–$68 ON KEY GRADE, UP FROM $64 LAST WEEK

PORTLAND, OREG.—Plywood prices have started to climb at Northwest mills, a check of major producers showed.

The industry's chief mills are now quoting $67 to $68 a thousand square feet for the key quarter-inch thick sanded grade, which accounts for nearly two-thirds of plywood production.

This compares with $64 last week and $72 in mid-January.

Plywood orders climbed to their highest weekly total in history in the latest report of the Douglas Fir Plywood Association for the week ending March 1. A total of 134.7 million square feet in new orders was reported, compared to 105.4 million in new orders the week preceding and 84.2 million for the like period of 1957.

"Our order file is full up from booking at $68," said one plywood mill official.

"There is an awful lot of activity at the $68 level," declared another big plywood producer. "Right now the market is looking pretty good. The proof of the pudding will come when we start shipping all this plywood booked at the higher price."

Orders taken at the old $64 price will be shipped to buyers up until about April 1.

Some mills even quote higher prices of $72 and $76. However, one Northwest plywood mill operator warned, "These mills quoting $72 are just plain whistling in the dark. It's my feeling that we won't see those prices generally accepted until the lumber market shows some signs of a pick-up."

The flurry of orders came when jobbers became convinced that the $64 price level was the bottom, according to industry sources.

[From the Daily Shipping News of March 26, 1958]

HARDWOOD PLYWOOD IMPORTERS PLACE CASE BEFORE DOUGLAS-FIR PLYWOOD INDUSTRY

(The following information is from a letter sent to the members of the Douglas-fir plywood industry by W. G. Hellar, vice president, Heidner & Co., Tacoma. The Heidner firm are exporters and importers of lumber, plywood, and molding.)

We, who have been vitally interested in Douglas-fir plywood for over 35 years, would like to correct some erroneous impressions that the Douglas-fir plywood industry and the hardwood plywood industry is being damaged my competition from imported hardwood plywood. First, let us say that last year we bought between $400,000 and $500,000 worth of Douglas-fir plywood for export and offshore shipment. We doubt that this would have been possible if foreign hardwood plywood were the adverse factor claimed.

As you know, the hardwood plywood industry has been campaigning for the past year to impose import quotas on foreign hardwood plywood and has induced a number of Congressmen and Senators to introduce import quota bills in Congress. The proponents of these quotas laws have issued a great deal of misleading propaganda containing many misstatements, half-truths and erroneous inferences. Without going into too much detail, we are outlining a few points bearing on this matter:

1. The bulk of the Lauan plywood imported from Japan has been in door skins for flush doors to fill a need for door faces which could not be filled by the domestic hardwood and Douglas-fir mills. In 1953, only 8 percent of domestic hardwood production was in door skins, mostly in captive plants. The domestic producers could not furnish the sizes and thicknesses required, nor the appearance grades which would allow stain finishing. The United States Plywood Corp. even sent men to Japan to encourage production of this type and quality of Lauan door skins which were not available domestically.

2. The popularity of the Lauan doors brought increasing demands for Lauan plywood, lumber, and moldings to go with the new architectural style trend. This imported hardwood plywood is an appearance product and is used with a clear or stained finish and is not in competition with Douglar-fir, gum plywood or hardboard, which are materials requiring painting.

3. The total importations from Japan of all plywood last year was about 620 million square feet on a 4MM basis. Much of this besides the one-eighth-inch doorskins was in one-eighth inch and 3MM in low grades for furniture manufacturing: drawer bottoms, casebacks, etc. This 620 million square feet on a 4MM basis is about 280 million square feet on a three-eighths-inch rough basis. which is the usual method for computing Douglas-fir plywood production.

4. This 280 million square feet is less than 5 percent of the present annual plywood production in the Douglas-fir area. It is hard to understand how imported hardwood plywood could have adversely affected domestic plywood when Douglas-fir and western softwood plywood production has more than doubled since 1951. Production of 2,866,000,000 square feet in 1951 increased to 5,750,000,000 square feet in 1957, while at the same time production of hardwood plywood in the 11 Western States increased from 75 million to 288 million square feet in the Douglas-fir area. Contrary to the claims of the hardwood plywood people, the production of hardwood plywood in this country has increased about 30 percent in the past 2 years—it is not accurate to ignore the production figures of the captive plants producing about one-third of the domestic hardwood plywood industry totals.

It is interesting to note in two articles published last year in the Lumberman and Crow's Lumber Digest that Mr. W. E. Diffard, managing director of the Douglas Fir Plywood Association, was encouraging the industry to produce northwest hardwood plywood to recapture the market for interior wall paneling from the eastern and southern mills. He did not even mention foreign plywood competition.

5. As you no doubt know, Lauan plywood pricewise is no competition to Douglas-fir. Up until a few weeks ago, when prices softened one-fourth inch 4 by 8 feet Lauan plywood had been selling at about $112.50 for first quality, about $103 for second quality and about $95 for third quality including the 5 percent jobber's discount and 2 percent cash discount as comparable to the $72 less 5 percent and 2 percent on Douglas-fir plywood. While the price on one-fourth inch Japanese Lauan is less than the domestic Lauan faced plywood, the reverse is true on three-fourths of an inch where the first quality has been about $319 and second quality about $291 including 5 percent and 2 percent as compared to domestic Lauan faced A–3 plywood of $287.50 on the same basis.

6. But for imported hardwood plywood, the costs for doors and panels would have skyrocketed, greatly increasing costs for new housing. This could have been to the detriment of the buying public and our national economy and would have reduced home building and the use of Douglas-fir plywood in home construction. It is imperative that costs be held down to encourage home building.

7. The plywood industry must bear in mind the tremendous increase in substitute materials available at considerably less cost as a factor affecting sales and loss of markets. Hardboard production has increased tremendously and is being used to replace thin plywood panels. Particle board production is growing phenomenally—producing panels at greatly reduced prices which are replacing the thicker plywood panels. Other substitutes, such as chipboard, plastics, light metals, etc., are also being substituted for domestic plywood. It is important to note that in the end-use categories where domesic sales have diminished, those markets are not being filled by imported plywood but are being taken over for the most part by these other domestic competitive products. For example, the very substantial market previously existing for hardwood plywood in radio and television cabinets is now being taken over by hardboard, light metals, and plastics products. It is also interesting to note that the increase in imports has been in exactly the same fields where the domestic hardwood plywood industry has increased its sales.

8. If the Douglas-fir or hardwood plywood industries feel that they are being hurt by foreign competition, they can and should bring escape-clause action under present tariff laws. In the event they can prove injury, the Tariff Commission and the President can increase duties and impose quota restrictions where justified. The hardwood plywood industry brought such an action in 1955, but were unable to show damage. The Tariff Commission found unanimously that: Hardwood plywood is not being imported in such increased quantities as to cause or threaten serious injury to the domestic industry * * * to a significant extent, imports have been supplemental to domestic supply of hardwood plywood * * * indeed, the availability of imports has helped to develop new markets for the products * * * the great expansion in consumption of hardwood plywood in the production of flush doors would not have been possible if the producers had been dependent entirely on domestic stocks.

A quota on imported hardwood plywood would be of little or no benefit to the domestic plywood industries, but would destroy the door manufacturing industry and seriously injure other industries dependent in some degree either on imports or on the price competition offered by these imports.

9. By now you are all familiar with the famous plywood hoax. The hardwood plywood people claimed there were 28 plywood plants shut down because of imports; however, 9 of these are still operating, 3 burned down, 1 closed before imports were possible, 4 closed because of consolidation, 2 because of undercapitalization, 1 each because of labor, personal, financial and management problems, and 5 plants never existed. Their

case must be pretty weak to stoop to such irresponsible claims.

10. Any Congressional action to impose quotas on plywood would undoubtedly be followed by impositions of quotas on a large number of other items such as textiles, tiles, watches, bicycles, tuna, soil pipe, etc., thereby endangering our good-neighbor policy and restricting our present policy of trade, not aid. Such restrictive tactics might well result in retaliatory quotas and tariffs against American exports, which would seriously affect our Nation's domestic economy. The administration stated in Congressional hearings last week that over 4 million jobs are dependent upon exports from this country while if all tariffs and restrictions were removed not over 100,000 jobs here would be affected.

11. We believe that you will have to agree that there is no justification for Congress to enact a quota bill restricting imported hardwood plywood since the matter can be handled under the present escape-clause procedure if actual damage from foreign competition can be proven.

UNITED STATES TARIFF COMMISSION,
Washington, D. C., March 11, 1958.

The Honorable RICHARD L. NEUBERGER,
United States Senate.

DEAR SENATOR NEUBERGER: I have your letter of February 19, 1958, transmitting a resolution concerning imports of plywood, sent to you by the Democratic Central Committee of Josephine County, Oreg. You ask for an analysis of the statements made in the resolution and of the impact of imports from Japan on the market specifically for plywood produced in Oregon.

We are enclosing a statement on plywood giving information on the tariff status, the applicability of the escape clause of the General Agreement on Tariffs and Trade (GATT), a discussion of the procedures and criteria established by section 7 of the Trade Agreements Extension Act of 1951, as amended, and recent data with respect to United States production and imports of plywood. We are also enclosing a copy of the Commission's report on the results of an escape-clause investigation of hardwood plywood under the provisions of section 7 of the Trade Agreement Extension Act of 1951.

The resolution presumably is intended to refer to softwood plywood, since that is the type predominantly produced in Oregon, and also the price figures which are given by Mr. Clifford Driscoll apply to softwood plywood. However, nearly all of the plywood imported into the United States consists of hardwood plywood, the imports of softwood plywood constituting only a small proportion of the total. The plywood produced in Oregon and elsewhere in the Pacific Northwest consists predominantly of softwood plywood, and the domestic output of such softwood plywood is several times as large as the domestic output of hardwood plywood.

The escape-clause investigation of hardwood plywood was instituted upon application of the Hardwood Plywood Institute, a trade association representing domestic manufacturers of hardwood plywood. The softwood plywood industry did not join in the application, nor was any presentation made during the investigation regarding injury to the softwood plywood industry. The industry to which the investigation related, that is the industry producing plywood, like or directly competitive with imported hardwood plywood was regarded by the Commission as consisting of all firms, their employees, and facilities producing hardwood plywood other than plywood of container and packaging grades.

The resolution gives certain percentages indicating increasing proportions of the domestic market for plywood said to have been filled by Japanese imports in the years 1951 to 1956 and the first half of 1957. These percentages are not based on a comparison of imports with total domestic consumption of plywood, but are based on comparison of imports of plywood from Japan on the one hand, with shipments of domestic market hardwood plywood plus total imports of plywood from all sources on the other hand. The comparison excludes from domestic consumption data on domestic production of captive hardwood plywood which is plywood produced and consumed by the producing concern in further fabrication. If such production were included in the domestic consumption data for comparison with imports from Japan, the resulting ratios would be smaller.

However, if imports from Japan or even total imports of plywood from all sources are compared with the total United States consumption of plywood (both hardwood and softwood) or even with softwood plywood alone, the resulting ratios are considerably lower than those given in the resolution. For example, in 1955, the latest year for which data on total domestic production of both hardwood and softwood plywood are available, the resolution states that imports from Japan were 28 percent of domestic consumption. In that year, imports from Japan, as shown on the enclosed table, amounted to 429 million square feet and total imports from all sources amounted to 628 million square feet. Domestic production of plywood of all kinds amounted to 6,944,000,000 square feet. Imports from all sources were equal to 9 percent of the total production. Compared with total United States apparent consumption (production plus imports, exports being negligible), the ratio is just slightly over 8 percent. If compared with production of softwood plywood alone, the imports were equal to approximately 12 percent of such production, or about 10½ percent of the total represented by the sum of production of softwood plywood plus total imports. If compared with the domestic production of hardwood plywood (of both market and captive production, excluding container and packaging grades), the imports were equal to about 45½ percent of such production and to slightly over 31 percent of the apparent consumption of those classes.

The resolution with the statement added by Mr. Driscoll is returned for your files.

If we can be of further assistance to you in this matter, please let us know.

Sincerely yours,

EDGAR B. BROSSARD,
Chairman.

Mr. MACK of Washington. I thank the gentleman from Oregon and the others who have joined in this discussion today.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from West Virginia.

Mr. NEAL. Mr. Speaker, the matter so clearly presented by the gentleman from Washington to the House represents only one phase of the injury experienced by industry and labor resulting from foreign imports.

As has been pointed out, import tariff rates do not afford adequate protection for manufacturers producing commodities employing labor paid by American standards.

Again the imposition of quotas has failed to afford relief. Even foreign producers who would prefer to conform to quotas, under pressure by importers, exporters, and financial agents, seem to find ways to evade the quota regulations.

I thank the gentleman for bringing this important matter to the House.

EMERGENCY EXTENSION OF UNEMPLOYMENT BENEFITS AND ASSISTANCE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. O'NEILL] may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. O'NEILL. Mr. Speaker and Members of the Congress, on Friday last I accepted the invitation of the Ways and Means Committee extended to the Members to discuss legislative proposals for the emergency extension of unemployment compensation benefits and unemployment assistance. Today, I am pleased to address the Congress on this subject.

I am most grateful to you for this opportunity to comment on and make suggestions for easing the economic burden of millions of unemployed Americans and their children during this, a most critical and uncertain, economic depression. I am grateful for this opportunity to review the devastating and disastrous results of this depression in my home State, the Commonwealth of Massachusetts, to comment and to offer a suggestion on the improvement, on an emergency plan basis, of the unemployment compensation title of the Federal Security Act, and to present a bill creating permanently a new title to the Social Security Act, to be known as the "General Assistance Act of 1958," to amend the public-assistance provisions of the Social Security Act so as to enable States to establish more adequate general assistance programs.

Both the Congress and the Chief Executive have given significant and public recognition to the seriousness of this depression. Both branches have emphasized the imperative necessity of prompt and courageous action to assist and to relieve the pressing economic burdens, even abject poverty and suffering, affecting millions of American families whose breadwinner has been unemployed for long months with the future job picture becoming more dismal and uncertain with each passing day.

Another, and totally unanticipated, phenomenon further aggravates the plight of the unemployed workingman and his family. The continued and consistent monthly inflationary rise in the cost of basic necessities of life itself—food, clothing, shelter, fuel, public utilities, and medical services—confound, confuse, and create an atmosphere of despair for millions of deprived American families.

This depression is national in scope, in intensity, and in responsibility. It has been caused mainly by a deliberated administration policy of fixing high interest rates, tight money, the coddling of bankers and big business by the special tax reduction of 1954, forgetting our average man, and the slashing of the budget and defense contracts by $5,600,000,000 in 1957.

Individual States have accepted and discharge more than their maximum

share of responsibility. Real-estate taxes are approaching the confiscatory stage, and no new avenues of revenue for relief and assistance to the needy unemployed and their dependents are available. For over a decade since World War II the American people have accepted and discharged as a moral and charitable responsibility material assistance and relief of suffering and distress in countless countries all over the world. Can we neglect, or close our eyes, to similar or more acute suffering and distress among millions of our own free American families and their children, placed in such deprivation of basic necessities by forces and conditions they neither understand, nor control?

I think not, Mr. Speaker, and my first recommendation is in regard to unemployment compensation. I recommend the extension of unemployment benefits in all States to a period of 39 weeks, the extended period to be financed by the Federal Government on a grant basis out of the general revenue available.

My second recommendation is the immediate increase in individual personal income-tax exemptions from the $600 figure to $700. In fact, it may be even necessary that we go higher than the $700 figure. This would give a spending power of over $3 billion to the lower- and middle-class families of this Nation, and would be of inestimable aid in stimulating our faltering economy.

I also believe, and this is my third recommendation, that we should concentrate on a large public-works program in which the Federal Government should lead the way in promoting participation by the States; such as road programs, school programs, harbor works, flood control, and water pollution.

I also offer, as a fourth suggestion, a permanent arm of assistance for the more than 300,000 families and individuals presently receiving grossly inadequate general assistance payments. The caseloads and expenditures of this category of assistance are raipdly accelerating. States, counties, and municipal finances have not, cannot, and should not be expected to meet this challenge and financial burden alone. These hundreds of thousands of American families and individuals are neither blind, disabled, or aged, nor the children dependent because of the death or absence of the father and breadwinner from the home. They are not legally, or technically eligible for old-age assistance, aid to the blind, aid to dependent children, or aid to permanently and totally disabled persons. But they need assistance. Adequate assistance on a standard of decency and dignity which for over two decades now they have not received, with some few scattered and notable exceptions.

The Federal Government has a moral and American responsibility to share the cost of financing on an equitable basis the cost of general assistance to the States and municipalities. The Board of Directors of the American Public Welfare Association both in 1956 and 1957 formally set forth a Federal grant-in-aid for general assistance as the first and most important legislative and assistance objective in the public welfare program. National councils of State and local directors of public welfare have repeatedly passed resolutions urging Federal grants-in-aid for general assistance cases. Voluntary national social welfare organizations have recognized this gross weakness in the national Public Welfare System and constantly endorsed a Federal grant-in-aid for general assistance.

My own State of Massachusetts had over 250,000 more unemployed in February 1958 than in February 1957. Unemployment benefit checks increased in July 1957 by over 50 percent more than in July 1956, and by almost 300 percent in February 1958 over July 1957. The first 2 weeks of March 1958 reflected a steady climb in unemployment benefits over February 1958.

Thousands of workers in Massachusetts have exhausted these benefits and are now dependent on the inadequate general assistance allowances of cities and towns. From September 1957 to February 1958 the general assistance caseload has increased by 3,000 cases, and the average monthly expenditure has increased by over $220,000 per month, an indicated annual increase of over $2½ million.

Since 1953 national expenditures for general assistance have risen from $212 million to $276 million for the fiscal year ending June 30, 1957. To this must be added the $188 million spent in fiscal 1957 for aids to permanently and totally disabled persons, a category which did not exist in 1950. The total increase, therefore, over the 1950 expenditures for general assistance is actually $253 million rather than the $65 million in the old general-assistance statistics. The first 8 weeks of 1958 have reflected a steady, and in some States sharp increases in both cases and expenditures over 1957.

A recent newspaper survey of industrial areas in Massachusetts disclosed many permanent shutdowns of old established plants. This includes the Ford plant in Somerville, a city of over 100,000 population, where Ford for 27 years had employed in excess of 2,000 workers. Other plants have cut working forces by over 50 percent, while many have established 2, 3 and 4-day working weeks.

The specific results of the enactment of H. R. 11678 would be multiple; not only would the distressed unemployed and needy receive more adequate assistance, but middle-class and war-veteran homeowners would be substantially relieved of mounting anxiety and worry over possible loss of their homes because of annual tax rate increases approaching, or actually reaching the confiscatory stage. The real estate tax delinquencies now accelerating among fixed-salary white-collar homeowners would be diminished.

Let me illustrate. In my own city of Cambridge, enactment of H. R. 11678, plus implementing State aid to municipalities for general assistance, would mean a reduction in real-estate tax of $2.50 to $3 per thousand dollars of assessment. My neighboring city of Somerville would benefit to about the same savings, while the large city of Boston would realize a reduction in tax rate of from $3.50 to $4 per thousand.

Real estate tax reduction is imperative to permit families to continue the American way of life and the American tradition and ambition of ownership of land and property, to relieve worry and anxiety for, and to protect the equity of the workingman in his home and property.

It is my hope and trust that the Congress will favorably recommend that the Federal Government immediately assume its long overdue national moral and financial responsibility in the public welfare by the enactment of H. R. 11678.

SMALL-BUSINESS MAN URGES IMMEDIATE FORMATION OF CAPITAL BANK SYSTEM

Mr. PATMAN. 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. PATMAN. Mr. Speaker, recently I received a letter from a small company engaged in the millwright and fabrication business pleading for the creation of a small business capital bank system. This letter emphasizes that time is of the essence because the present recession is serving as the coup de grace to the majority of small business concerns.

The Small Business Capital Bank System needed by small-business men will become an actuality if H. R. 10345 is enacted by this Congress.

Inasmuch as the letter portrays so vividly the importance of the proposed legislation, I ask that it be reproduced in its entirety in the RECORD:

NELSON J. PEPIN & Co.,
Lowell, Mass., February 20, 1958.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN PATMAN: Mr. Joseph Noonan of the Smaller Business Association of New England has kindly presented me with a copy of an address that you delivered in the House of Representatives on January 29, 1958.

We are a part, and a very realistic one, of small, small business. We have been for the past 55 years. May we say at this time that what you are trying to do is one of the greatest advances in revitalizing the economics of small business. But, I am sure that you realize how much time is of the essence. The present recession is practically giving the majority of small, small businesses the coup de grace.

Although your bill would not interfere in any way with our present commercial banking systems, the bankers however, take a dim view of this. At least, most of them in the New England area. The reason for this, I think, is that they will have now, no opportunity to control and have fingers in every pie. This would give us a chance to breathe once again and to be independent, which is so important in small, small business operations.

I have, during the past few years, had much correspondence with Senator KENNEDY relative to relief to small business. Our last exchange of letters I think, have convinced him that tax relief is not the solution. I believe all we small business people would be

very happy to pay taxes if we could get enough volume of business and be financed properly. Most of us have the know-how, but have no working capital to exploit this know-how to promote new business. I believe your address has presented this situation very clearly.

I hope that your bill will see fast action in both House and Senate.

In closing, may I say without reservation, that you will have all the support possible from our organization as well as from the individual members.

Good luck, and with sincere regards, I remain,

Very truly yours,

NELSON A. PEPIN.

PRICE DISCRIMINATION IN THE FOOD INDUSTRY, H. R. 11 AND THE UNITED STATES CHAMBER OF COMMERCE

Mr. PATMAN. 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. PATMAN. Mr. Speaker, in a recent speech delivered by Federal Trade Commissioner Sigurd Anderson, he urged the members of the frozen food industry to discontinue their alleged practice of granting discriminatory prices and thereby avert competitive disaster, monopolies, and consequent rigid Government regulation. The Commissioner relayed to the members of this industry reports describing various instances of price favoritism, secret rebates, kickbacks, and other forms of unconscionable competitive methods allegedly rampant in the food and grocery industry. He mentioned that the situation did not reflect commendable competition but rather "the law of the jungle carried on in gray flannel suits."

During the course of his remarks, he announced that the Federal Trade Commission had recommended that the Congress enact certain laws that would assist the Commission in controlling some of the unfair trade practices enumerated. In this portion of his address, he mentioned that the Commission, by a vote of three to one, favored the enactment of H. R. 11, the equality of opportunity bill which, in my opinion, would strengthen the Robinson-Patman Act and facilitate the enforcement of its antiprice discrimination provisions. Commissioner Anderson had referred to price discrimination as the more important of the various trade abuses which the members of the food industry should voluntarily terminate.

Under unanimous consent. I ask that a news item that appeared in the March 10, 1958, issue of Food Topics, which summarized the Commissioner's remarks, be printed in the RECORD.

H. R. 11 has been pending before the House Judiciary Committee since January 1957. It has the support of thousands and thousands of small-business men who are trying to complete with giant organizations. On the other hand, this bill has evoked the powerful organized opposition of big business and their spokesmen, such as the National Association of Manufacturers and the United States Chamber of Commerce.

With reference to the latter-named organization, my attention has been invited to a news item reciting that the United States Chamber of Commerce refused to listen to representatives of the New England State Grocers Association at a meeting held in Boston when they sought to submit their views in behalf of H. R. 11 or its companion bill, S. 11. It appears that the small-business group received the brushoff when they sought to be heard.

It seems especially tragic that an organization, such as the United States Chamber of Commerce, possessing, as it should, great prestige and dignity, would permit itself to act as a spokesman for big-business interests and carry on its lobbying activities in their behalf in such a manner as to evoke complaints of the character reportedly advanced by the New England State Grocers Association. I ask unanimous consent that the news item, which appeared in the March 10, 1958 issue of Supermarket News also be printed in the RECORD.

The two news items in question read as follows:

[From the Supermarket News, New York, N. Y., of March 20, 1958]

NORTHEAST GROUPS HIT UNITED STATES CHAMBER

HARTFORD, CONN., March 9.—Failure of the United States Chamber of Commerce to give floor time to representatives of New England's State grocers associations at a recent meeting held in Boston has brought the Connecticut Food Stores Association into open conflict with the national group.

Three association secretaries, Cornelius P. Courtney, Connecticut; Malcolm McCabe, Massachusetts; and James Mahony, New Hampshire, got what they termed a "brush off" from the chamber when they sought to present their views as representatives of small business in opposition to a chamber referendum on S. 11, the equality of opportunity bill. The State grocers association support S. 11, as a measure which would close loopholes in Robinson-Patman Act by which some manufacturers and distributors justify discriminatory prices.

Mr. Courtney said they were particularly vexed at the one-sided referendum taken by the chamber. The referendum, he claimed, ignored opinions of small business interests.

He told Supermarket News that many associations, such as his and local chambers, were opposed to the national position on the bill. He said further that powerful lobbies, such as oil, opposed the bill, wanting loopholes to condone discriminatory price practices.

Mr. Courtney said small independents were strongly in favor of eliminating the "good faith" defense as a justification of price discrimination.

[From Food Topics, New York, N. Y., of March 10, 1958]

ABUSES IN TRADE SEEN LEADING TO JUNGLE LAW

NEW YORK.—One year after issuing a series of warning to the food industry to clean house, Federal Trade Commissioner Sigurd Anderson declared that trade abuses have risen to a point where "commendable competition" has been abandoned in favor of "the law of the jungle carried on in gray flannel suits."

In an address before the Eastern Frosted Foods Association, Mr. Anderson again called on the food industry to eliminate "negative" trade practices or face stricter Federal regulation.

Pointing out the tremendous growth of the food industry and its healthy effect on the American economy, the Commissioner noted serious trade abuses "that cannot be swept under the rug."

Mr. Anderson recognized two prime problems facing the supermarket industry—price discrimination and shelf space.

The FTC Commissioner warned that price discrimination is a violation of section 2a of the Clayton Act. Not only does the operator not favored lose considerable money but, in fact, faces "even losing his business."

"Unprincipled scrambles for shelf and freezer space," brought on by the recognition of the importance of display in today's era of impulse buying, have been brought to FTC's attention, Mr. Anderson revealed.

Last year the Commissioner had listed six abuses FTC has found in the food industry. He enumerated them as price discrimination, discriminatory allowances, under-the-table deals, illegal cooperative advertising, splitting brokerage fees and predatory price cutting.

Discriminatory price, Mr. Anderson told the frozen food executives, is still a major problem in food marketing. Even a slight discrimination can have a heavy effect on competition where high volume is involved.

CLARIFIES FTC ROLE

The Commissioner clarified FTC's position in taking action on reported price discriminations as a result of confusion over Supreme Court decisions.

"I wish to point out," he said, "that section 2a of the Clayton Act as amended is still the law of the land in spite of recent decisions of the Supreme Court in two cases where section 3 of the Robinson-Patman Act was declared not to be a part of the antitrust laws and hence not capable of being used in triple damage actions in a private suit. Section 2a as amended has not been affected by these decisions."

The Commissioner revealed he had received reports of "tremendous inducements" made to get products on store shelves and in store freezers.

"Some of these reports are fantastic and I do not doubt but that they are true. There are reports of a month's supply of free goods, of new cars, of cash ranging from $100 to $30,000.

"A person at a convention that I had addressed some time ago told me that certain store managers would refuse to handle certain products unless the keys to a new car were placed on his desk and until there were no products on the shelves," he added.

THE BANKERS' RECESSION

Mr. PATMAN. 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. PATMAN. Mr. Speaker, the country is in what is officially called a recession. For many industries and for many groups of workers, this is a depression. But not for the bankers. The bankers are enjoying a booming prosperity.

The Wall Street Journal of March 27 carries a forecast that net profits of the top New York banks in the first 3 months of this year will be 8 to 10 percent higher than in the same 3 months of last year. These increased profits are expected, said the Wall Street Journal,

"despite a reduction in business loan volume and lending rates."

In other words the banks' rates have come down a little, and their loan volume has dropped a great deal. But interest rates are still so high that the banks will make more money in this depression period, when business and consumers are borrowing less, than they made last year.

The weekly Labor for March 22 collected and published some highly interesting comments about the recession from some of the Nation's leading bankers and big-business men. These individuals all seem to think the recession was a fine thing.

The Members should be particularly interested in the comments of Mr. William A. McDonnell. Mr. McDonnell has been the chairman of the United States Chamber of Commerce's finance study, and headed the chamber's committee of bankers who have been trying to push through Congress the bankers' bill, which is titled formerly "The Financial Institutions Bill (S. 1451)." Mr. McDonnell is a St. Louis banker. But the important thing is that he is the new president of the United States Chamber of Commerce, and is scheduled to assume his duties as head of this influential organization on May 1.

Mr. McDonnell, according to Labor, has recently warned the Government against doing "too much too soon" to spur recovery. Furthermore, the new president of the United States Chamber of Commerce has called upon labor to show statesmanship in the present situation.

I do not think the unemployed workers in my district, many of whom have exhausted their unemployment insurance, are going to be much impressed with this banker's call on labor to show statesmanship. Nor do I think these people are going to be much impressed with his advice to the Government not "to do too much too soon" to relieve the unemployment.

I believe the Members will be interested in other business comments on the recession which appeared in Labor. They are as follows:

BIG BUSINESS AND BANKS SEE ROSY SIDE IN SLUMP

Unemployed people and their families have been getting little sympathy from some leading business spokesmen. For example, Philip M. Talbott, board chairman of the United States Chamber of Commerce, recently declared that "from the economic standpoint, unemployment is not having nearly the disastrous effect some persons think."

"I don't view this period of adjustment we are in with an unusual degree of alarm." Talbott added. "In our type of economy, we are bound to have these periods of leveling and adjustment."

William A. McDonnell, new president of the chamber of commerce, also saw some virtues in the slump. "Jobs are now treasured more and most people work a little harder," he said.

McDonnell, a St. Louis banker, warned the Government against doing "too much too soon" to spur recovery. Labor, he added, should show statesmanship by canceling demands for higher wages.

Similarly Milton C. Lightner, president of the National Association of Manufacturers, said President Eisenhower's proposal for an emergency extension of unemployment benefits "is most disquieting and will have to be watched closely." He asked if it would "create a Federal dole without end."

The First National City Bank of New York, with assets approaching $8 billion, took a similar view. "A business recession is not an unmixed evil," the huge bank said in its current monthly letter.

"This recession," the bank continued, "tends to check the wage-price spiral and bolster faith in the dollar. * * * Even those temporarily unemployed may benefit in the long run. * * *"

Calling on employers to watch payroll costs more scrupulously, the big bank added: "The first problem of recovery is to brighten the outlook for profits. This can be aided by forbearance with respect to wage and tax demands on industry."

The Wall Street bank's recovery recipe was to cut taxes sharply on the rich and the corporations—the same formula proposed by the NAM and chamber of commerce.

DOES MONETARY POLICY REALLY WORK?

Mr. PATMAN. 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. PATMAN. Mr. Speaker, I would like to call the Members' attention to a most interesting paper by Prof. John Kenneth Galbraith who is professor of economics at Harvard University.

Professor Galbraith's paper was delivered to the Independent Bankers Association at Dallas, Tex., on March 8, and it deals most interestingly with one of the supposed magics which has ruled economic policy under the present administration. This is the supposed magic of so-called monetary control.

Recently our economic policymakers have leaned very heavily, almost exclusively, on monetary controls to guide the Nation's economic destiny. Monetary controls for this purpose are no new invention. Actually, as Professor Galbraith points out, such controls were the principal policy device in the 19th century, particularly in 19th century Great Britain. Faith in monetary controls ran high in the 19th century; and the great rebirth of faith in the magic of monetary controls which we witnessed when this administration took over was merely a rebirth of a pre-McKinley faith.

Here hangs one of the most remarkable performances in the field of public policy in our time. Over these past several years, as it became more and more apparent that monetary manipulations were failing, and bringing about results which were just opposite to what was claimed for them, these demonstrated failures served only to arouse our policy makers to greater zeal and greater faith in monetary controls. If small doses of bad medicine failed—they seemed to reason—massive doses would succeed.

It is only now, within the past few months, that the new evangelism for 19th century monetary manipulations has begun to wane. As recently as last spring faith was running so high that the new evangelists were then sure that their monetary manipulations would not merely check inflation—by that time they had even persuaded themselves that they could cure depressions as well. Today, they are hard up against an opportunity to show what they can do. And the opportunity goes begging.

Raising interest rates and squeezing bank credit did not check inflation last year, or the year before. And decreasing interest rates and loosening credit are not putting the unemployed back to work today. Monetary manipulations are a failure. They have served only to fatten bankers and the moneylenders and to squeeze small business, impoverish wage earners, and burden the people with more debt. In short, these manipulations have only served to create more of the basic conditions which prevent such manipulations from accomplishing what they are supposed to accomplish.

It is not certain that even in 19th Century Great Britain monetary controls ever accomplished what they were supposed to accomplish. But at least the 19th Century Britishers tied their monetary controls on to a theoretical framework in which such controls could logically be expected to work. In short, the British economic system on which these controls were imposed was conceived to function according to the economists' competitive theory—which it largely did. Monetary controls were expected to work only in a highly competitive business system, where prices in all sectors of the economy were made by supply and demand. They were never expected to work—even in theory—in a quasimonopolistic business system. The effects on monetary manipulations were never expected to be evenhanded, nondiscriminatory, or, as the Federal Reserve people were recently saying, "impersonal" in a system where prices are in part competitive prices and in large part administered prices.

I believe that what I have said here agrees in general with what Professor Galbraith has said in his paper to the independent bankers. There is one point, however, on which Professor Galbraith and I sharply disagree.

Our disagreement goes to the question of what has been accomplished in these last few years by the administration's reliance and hope that monetary manipulations would solve all of its problems, leaving the administration free from the necessity of making some unpleasant decisions about how to control inflation.

Professor Galbraith feels that the administration's policy of relying on monetary controls to check inflation merely did nothing toward checking inflation. Thus, he expresses the thought that by placing its hopes on checking inflation by a means which could not work, the administration deluded itself when, if it had not been deluded it might have turned to the kinds of programs and to the kinds of leadership which would have checked inflation. On this point, I think the professor is entirely too generous. In my view, the monetary manipulations of these past few years actually helped to increase prices. In short, the administration's monetary policies added to the inflation.

It has been an interesting crusade, on the whole, even though a very costly one to the country. Certainly, the fervor with which President Eisenhower and his fellow crusaders promised us a sound dollar, and a halt to rising prices, was a fervor which has been seldom matched in the political history of this country. Nor has the contrast between the promise and the performance been matched very often. Consider, for example, that the inflation of the Eisenhower administration took place in a period, not of wartime shortages, but a period of unsalable surpluses and idle productive capacity.

And now, in recent months, the country has had increasing prices at the same time the administration's recession-depression was getting worse and more people were being thrown out of work. I think we would all have to agree with ex-President Truman's statement that the administration has accomplished quite a feat in having increasing prices and a recession at the same time.

Professor Galbraith's paper is as follows:

DOES MONETARY POLICY REALLY WORK?

(Address by John Kenneth Galbraith, professor of economics, Harvard University, before the 24th annual convention, Independent Bankers Association, Dallas, Tex., March 8, 1958)

I

My presence here this morning, if it accomplishes nothing else, will at least attest to your tolerance. For it is my purpose to question, and question sharply, economic policies with which the banking community has long been identified and much of which it has as long favored or, at a minimum, taken for granted. I confess that I find some comfort in the fact that these policies have traditionally been regarded with less favor by country banks than by city banks and by the smaller banks than by the large. In this particular gathering I shall have on my side some of the iconoclasm that was once associated with frontier finance. I hope I can do something to encourage this attitude.

The policy which I am about to assess is usually described as monetary policy. In recent years, it has collected a variety of synonyms. "The tight money policy" has been the mildest appellation of those who do not like it. Those who approve have referred to it as "the policy of wise monetary restraint." But, by whatever name, it is the policy which seeks to regulate the course of the economy—to counter inflation and, more hopefully, also deflation—by the discouragement and the encouragement of bank lending. The discouragement, as everyone in this gathering is duly aware, is accomplished by raising interest rates and by operating, in one way or another, on bank reserves in order to limit the supply of funds which the banks have for loan.

The cutting edge of this policy comes in its effect on business investment. Businessmen who cannot borrow cannot spend. The reduction in business spending in time of inflation—so it is hoped—will reduce total spending and thus the pressure of demand on the supply of goods. Inflation, we have often been told, occurs when too much demand is in pursuit of too few goods. The simple purpose of monetary policy is to cut down that demand.

Spending in the economy, or total demand, is made up of the total of three aggregates—spending by consumers, by Government, and by businessmen of all kinds and classes including farmers. Monetary policy does not significantly affect Government spending, although in recent times some State and local borrowing has been postponed because of high interest rates. It is not seriously argued, even by its friends, that monetary policy has any very marked effect on consumer saving or on consumer borrowing, that for real estate apart. Installment borrowing, the principal form of consumer borrowing apart from housing finance, is unresponsive to changes in the interest rate. Thus it is to the effect of monetary policy on business investment, including residential construction, that we must look. If the policy is to be effective against inflation, such investment must be reduced or restrained. I stress this simple but vital point. Monetary policy cannot affect the price level except by affecting the volume of business investment. Those who suggest that it somehow can are attributing to the policy magical qualities which it does not have. Nothing would be more valuable for the administration of the American economy than occasional recourse to reliable magic. It would be useful now for eliminating unemployment. Unfortunately, none is available.

I have been speaking of the way monetary policy is presumed to act to prevent inflation which until recently has been our problem. In reverse, through increasing the supply of loanable funds and lowering interest rates, the policy is assumed to be a remedy for recession or depression. However, here good friends of the policy again have doubts. It may be possible to discourage borrowers by high interest rates in bad times. As bankers have long suspected, businessmen will not borrow merely because money is cheap. They must also see a way to make money, and it is the nature of depression that this prospect is either dull or lacking at such times.

II

Such is the policy. It has a long history. In Britain throughout the 19th century the Bank of England was probably able through the increase or decrease of the bank rate—in principle the rate of interest at which it stood ready to lend money to those who in turn were in the business of lending money—to have some influence on the British banking and business life. The circumstances were especially favorable. The world was mostly at peace. There were no restraints on the international movement of capital funds; these were free to move anywhere in pursuit of a higher return. An increase in the rate of interest would bring funds to England to take advantage of the higher earnings. A reduction would bring borrowers instead. Thus the volume of bank reserves could be influenced with some precision.

The British economy of the last half of the last century was exposed by free trade to the competition of the rest of the world. One can assume, as a result, that it was fairly sensitive to higher interest costs, which meant higher carrying charges for new investment, or to lower interests costs, which bespoke a favorable opportunity for expansion. There is much room for debate on the extent of the effect of the bank rate on the British economy—how much investment was encouraged or discouraged, and to what extent prices were inflated or deflated. Perhaps it derived some prestige from its position as a kind of Victorian conversation piece. But perhaps it worked.

Given this rich and hallowed background—one, incidentally, that accorded a position of considerable prestige to the banker—there has been a notable, and perhaps understandable, reluctance to reflect on the recent experience with monetary policy. This experience has been uniformly unfavorable. Indeed, when one looks at this experience, one can only conclude that many friends of monetary policy are saying that it works only because they so badly want it to work.

Already in the last century it was being noticed that periods of high interest rates—of tight money—were regularly followed by a slump in business activity. The boom was being cured by a remedy which, unfortunately, was worse than the original disease. The point was dramatized when rates were tightened after World War I and the sharp depression of 1920–21 ensued. The Federal Reserve only narrowly escaped blame for the depression and it did not escape severe criticism.

The more recent experience has been even more unsatisfactory. In the late 1920's the Federal Reserve shoved interest rates to high levels—in 1929 the rediscount rate was raised to 6 percent. It failed utterly to curb the great stock market boom of those years. But the high rates—one does not know whether it was accident or cause—were again followed by a gruelling depression. In the thirties interest rates were greatly eased without any perceptible effect in easing the depression. Monetary policy was in abeyance during World War II, but thereafter it had a revival. It was billed as a substitute for more difficult or disagreeable policies. In recent years high money rates have been the principal, and, indeed, one can say the only, economic policy of the administration. They have carried the whole burden of the war against inflation. On any reading of the record one must indeed conclude that hope springs eternal.

III

On any straightforward view of recent experience, the policy has failed once more. Recent experience has shown that the policy apart from its cost—which no one would begrudge if it worked—has three substantial shortcomings. First, it discriminates between large and strong borrowers, on the one hand, and smaller and more vulnerable borrowers, on the other; second, it doesn't do its job; third, there is indication that it is dangerous. This is a substantial indictment. But let us reflect for a moment on the evidence.

First, as to the discrimination. Unlike the small-business firm or, for that matter, the school district, the large corporation can pass the higher interest charges of a tight-money policy along to the customer. At least for a considerable time, the large firm can also contract out of a tight-money policy by turning from the banks to the open market. Or, through higher prices and retained earnings, it can get investment funds from customers and stockholders. In recent years, the complaints of smaller-business men and farmers about monetary policy have been persistent and bitter. Larger corporations, on the whole, have viewed monetary policy with equanimity or even approval. It would be a mistake to dismiss this difference in attitude as merely reflecting a difference in fortitude or by saying that small-business men and farmers are chronic crybabies. And even Chairman Martin of the Board of Governors of the Federal Reserve System has tacitly conceded the discrimination in favor of the larger firms. In testimony before the House Select Committee on Small Business last November 21, he observed that "The economy has been undergoing a capital-goods boom, and capital-goods industries as well as industries requiring heavy capital investment are generally characterized by large-scale enterprises." To say that these larger firms were able to have an investment boom was, of course, to say that the tight-money policy did not interfere at all with their investment. Investment of large firms during the period of active monetary policy did show a far greater rate of increase than that of farmers, residential builders, and other smaller-business men.

All thoughtful people will wonder about a policy which by its nature favors the large

and the strong at the expense of the small and the less strong. Members of your group will be especially concerned. It is your customers who bear the brunt of monetary policy.

Next, as I have noted, the policy hasn't done its job. The purpose of monetary policy was to stop inflation. Inflation means the persistent increase in prices. No policy can evade the test of results. As monetary policy was applied with increasing severity over the 2 years ending last autumn, prices rose with equal persistence. They are still rising. Let us assume that in February 1956 a physician began prescribing for a patient with a chronic fever. The fever continued unabated and has continued ever since. Would not doctor and patient by now be wondering about the efficacy of the remedy? Should we not take an equally clinical view of economic policy?

Nor is it an answer that, in the absence of active monetary policy, inflation would have been worse. Because the administration was relying on tight money, it was not doing the other things that needed to be done. Monetary policy failed because it does not come reliably to grips with total spending in the economy. And it failed because it does not come to grips at all with the problem of the wage-price spiral. All this is to say that the policy doesn't really deal with the problem of inflation. Hence, in relying on it, the administration wasn't really dealing with inflation.

Finally, just as the ineffectiveness of monetary policy is now a matter of experience, so, sadly enough, are its dangers. The most mercurial of the sources of spending in the economy is that for business investment. This investment depends on an estimate of the future. It is subject to a great variety of influences. As a result, it is subject to large swings with large consequences for the economic system.

Those of us who have thought monetary policy dangerous have worried about a policy which tampered with this most unpredictable part of the economic system. A policy which might not affect business spending for a long period might at some point affect it too well. There is risk in all economic policy, but there is special risk in trying to affect investment outlays. We are now suffering from a serious shrinkage in investment and therewith a sharp drop in incomes, output, and the workweek, and a heavy increase in unemployment. This is what has followed so often before in the wake of a tight money policy.

Experience can at times be a very emphatic teacher. Perhaps she knows how deeply we are wedded to our economic preconceptions. This time she has excelled herself. We now have the recession which is the traditional risk in long-continued monetary policy without the price stability which the policy was meant to provide. If a policy must fail, there is something to be said for having the failure categorical.

We may hope that the lesson has been learned. I don't think we can be completely sure. Those who are devoted to monetary policy have a faith that surpasses understanding. Some will now begin to argue—and on form this is more than a minor danger—that the recent failure was really a deeply disguised and highly sophisticated success. Those who criticize are looking only at the obvious. Or the supporters of monetary policy will say, as many are now saying, that the policy was carried on too long. The Federal Reserve should have relaxed interest rates and money supply late last summer when the signs began to go sour. No one mentions that this was a time when prices were rising at an unprecedented rate.

IV

I hope that none of you will fall for these excuses. For the case against monetary policy is not just an interesting point of view. It is a matter of deep and abiding importance both to your industry and to the whole country. We cannot regulate and guide the American economy by juggling interest rates and bank reserves. Until we rid ourselves of that notion we shall be in danger of doing serious harm to the economy and equally serious harm to the banking industry.

If we are to have economic stability in the United States, we shall have to rely on policies far more difficult and demanding than those of recent years. When inflation threatens, we will have to dry up excess purchasing power by a budget surplus and debt retirement. (Depression, of course, calls for the opposite remedy.) This is a far more certain and, above all, a far safer way of regulating the level of demand than by manipulating interest rates. It is also harder to do, and so long as we have hopes for monetary policy we will not face up to its difficulties.

And sooner or later, if we are to have full employment and price stability, we must have a wage-price policy which makes it far harder than now to increase wages and prices and profits at the expense of the public. I would have you notice that I do not pin the blame for higher prices on either management or labor. Our effort to assess blame in this matter is futile and more than a trifle childish. The fact is that, at full employment in a large part of the economy, wages can be increased and prices can be increased—prices are inherently unstable at this point. We shall get nowhere until we cease the bickering over who is responsible and resolve to deal with the underlying situation. This too will be difficult. And this too is a problem we have not faced because of the hope that the economy could be regulated by the monetary sleight-of-hand. In short, so long as we rely on monetary policy we will not prevent inflation. And we will be adding to the risk of recession as an alternative. Perhaps, in the future, there will be times when money rates can be usefully tightened a little and other times when they can be eased. But the role of monetary policy in the modern economy is both supplementary and slight. It is not a thing on which we can rely. This is the lesson of all recent experience, and we shall ignore it at very real public cost.

These are the consequences for the economy. Now let me say a word to you as bankers. In a very real sense you are the fall guys of monetary policy. This is especially so of the smaller banker who has for his clients the farmer, the builder, the Main Street merchant, and the other smaller businessman. You are the practical executors of the policy, for you grant or deny the loans. Perhaps it would be more accurate to say that you are the executioners, for it falls to you to say whose head should be cut off, and as smaller bankers you have more than your share of the chopping to do. To be an executioner in a good cause is one thing. It may not be pleasant, but it is at least commendable. But to be an executioner in a bad cause—one that is inequitable, futile, and a little dangerous—is something else again. It is a little like dying nobly in a crusade against snowstorms.

Banks, I would stress again, are inescapably identified with monetary policy. As a result, they will be peculiarly identified with its failures and the consequences of its failures. If for no better reason, then instinct to self-preservation should cause the banker to take an iconoclastic view of this vastly over-rated and over-publicized policy.

RESIDENTIAL CONSTRUCTION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (S. DOC. NO. 86)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Veterans' Affairs and ordered to be printed:

To the Congress of the United States:

I have today approved S. 3418, an act to stimulate residential construction.

Several of its provisions will promote a higher level of economic activity through acceleration of housing construction. The temporary extension of the World War II veterans' loan guaranty program, the more liberal terms of FHA-insured mortgages, the repeal of the unworkable discount controls on guaranteed and insured mortgages, the limited authority to adjust interest rates on military housing mortgages to market conditions, and the additional authority for mortgage purchases under the special assistance program of the Federal National Mortgage Association pursuant to my specific designation, are timely additions to our present authorities and are consistent with administration proposals. They can be used at once to supplement forward steps already taken to stimulate construction.

However, the legislation ignores the responsibility and ability of private enterprise to function without imposing a direct burden on the Federal purse. It has been the fixed policy of this administration, and should be the consistent purpose of the Federal Government, to seek in every way to encourage private capital and private investors to finance in competitive markets the myriad activities in our economy, including housing construction. This legislation contains provisions that are wholly inconsistent with that policy and with the philosophy of the free enterprise system that has made this Nation strong. By not permitting the interest rate on VA-guaranteed home mortgages to be fully adjusted to actual market conditions, and by requiring purchases of these mortgages at par by the Federal National Mortgage Association, the legislation provides in effect for substituting $1 billion of Federal financing for financing by private investors. This means that a wholly unnecessary burden of up to $1 billion will be added at this time to the already heavy load upon the taxpayers of the country. Moreover, this same action on the interest rate and certain additional provisions of the act will, in the case of direct loans to veterans in rural areas, make it extremely difficult for the voluntary home mortgage credit program—again private financing—to become effective, thereby causing an additional, and completely unnecessary, drain on the Treasury of the United States.

The American people expect their Government to act in every proper way to foster the resurgence of the economy. But they also expect their Government to preserve the integrity of principles

and programs that have served us well. In acting for today we should not forget tomorrow. This is the plain duty of us all.

I again call upon the Congress promptly to enact legislation providing interest rates for VA-guaranteed and direct loans sufficiently flexible to assure private participation, and eliminating the par-purchase requirements on Government mortgage purchases, so that the taxpayers will not be called upon to do what private investors should, can, and will do—so that in this field our free enterprise system may have the fullest opportunity to work.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 1, 1958.*

FARM PRICE SUPPORTS

Mr. MEADER. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, as many of us anticipated, the President has vetoed S. J. Res. 162, the bill to freeze price supports on agricultural products.

I voted against this measure on the roll call vote, having supported attempts to amend the bill to apply only to dairy products which failed. It is my intention to vote against overriding the President's veto should that question come before the House.

In the veto message the President referred to price supports on dairy products, obviously being aware of the strong sentiment among dairy farmers in favor of the temporary extension of dairy price supports. He said surplus dairy products in the hands of the Government would be used outside the regular domestic commercial market and that for the remainder of 1958 they would not be offered for sale on such markets at less than 90 percent of parity.

Mr. Speaker, it seems to me that this measure, while undoubtedly of some help to the dairy industry, does not go far enough. Accordingly, I have asked Secretary of Agriculture Benson and the President to reconsider the order reducing dairy price supports and modify it.

Because of the widespread interest among dairy farmers in this question and the concern of many of my colleagues, I am including at this point in my remarks a letter I wrote to a constituent, a spokesman for dairy farmers, setting forth in some detail the reasons for my position on Senate Joint Resolution 162:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 31, 1958.

Mr. WILLIAM G. HAYES,
Ypsilanti, Mich.

DEAR BILL: This will acknowledge your letter of March 20, 1958, expressing dissatisfaction with my vote on Senate Joint Resolution 162 to freeze price supports and allocations on all supported agriculture commodities at 1957 levels.

Included, of course, within the products so supported were dairy products. That was the result of a Democratic maneuver which prevented the House from considering the question of extending dairy price supports alone. Thus those who supported the flexible price-support program of the Eisenhower administration and had voted against the rigid high-price supports of the Democratic farm program were placed in the position of having to reverse our positions if we wanted even temporarily to continue dairy-price supports.

As you will see from the following remarks I made in the House of Representatives on March 20, 1958, I not only supported, but spoke in favor of the Tewes amendment which would have confined Senate Joint Resolution 162 to dairy-price supports alone. I announced I would vote for such a bill.

"Mr. MEADER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin [Mr. TEWES].

"I would like an opportunity to vote for a temporary extension of 1957 dairy-price supports, but I cannot support a measure which has little chance of becoming law and continues rigid high price supports generally. That would be a step backward in the direction of socializing agriculture which this administration is trying to get away from.

"I hope the amendment offered by the gentleman from Wisconsin will be adopted" (CONGRESSIONAL RECORD, Mar. 20, 1958, p. 4935).

Also, as you will see from page 4939, I voted in favor of the motion to recommit the bill which contained the Tewes amendment. The motion lost on a rollcall 173–210.

My position has been clear on this question from the beginning, Bill, and my vote should have been no surprise to you.

You will recall our meeting with dairy farmers from the Second District on Saturday, February 15, 1958, in the courthouse at Ann Arbor. At that time I said I would vote for temporary continuation of the 83 percent parity support for dairy products. I also said my inquiries revealed a move was under way in the House Agriculture Committee to mingle extension of dairy price supports with price supports on other agriculture products. I said, too, that this move, if successful, would be likely to result in no legislation at all. Actually, the result I predicted came about. As you know, President Eisenhower has vetoed the bill.

At the Ann Arbor meeting there was considerable discussion of the broad issue of government control and regulation of agriculture and many, who as I do favor continuation of dairy price supports at present levels, expressed themselves as opposed generally to government regulation of agriculture. I believe that position reflects the great majority of sentiment among farmers in the Second District.

The Ann Arbor News on February 17, 1958, quoted me as follows:

"I favor and voted for the flexible price support program and against rigid price supports. I believe the farmers do not want to become wards of the Government and have all decisions about the operation of their farms made by bureaucrats in Washington. We must work toward freeing agriculture from government regulations but it can't be done all at once. I believe the 83 percent support of dairy products should be continued temporarily."

My position on flexible versus rigid high price supports has been clear and consistent and has been taken after considerable consultation with farmers in the Second District. It is based on the attitude I have consistently maintained of favoring free enterprise against socialism.

I believe that most members of the Michigan Milk Producers Association from the Second Congressional District of Michigan are opposed to government regulation of agriculture, although of course I am unable to say how many of them would have surrendered that principle for the sake of a temporary extension of dairy price supports. I was confident then, as I am now, that S. J. Res. 162 had no chance of becoming law since I doubt that enough votes can be mustered to override a Presidential veto.

There are several features of Senate Joint Resolution 162 of which you and your associates may not be fully aware:

1. Senate Joint Resolution 162 would compel the Secretary of Agriculture to support not only the basic commodities, which are under mandatory price supports, at 1957 levels, but also all commodities which had received supports in 1957 upon a discretionary basis.

2. Acreage allotments, except tobacco, are frozen not only with respect to the marketing year beginning in 1958 but also through 1959 crops.

3. Senate Joint Resolution 162 gives special consideration to upland cotton and rice.

The effect of these provisions is not only to reenact the rejected rigid farm price support program advocated by the Democrats, but to go further and freeze prices and allotments on commodities which have not been subject to rigid price supports even under the Democratic farm program.

I am so strongly opposed to the socialization of agriculture—not alone because it is the policy of the Eisenhower administration to oppose it, not alone because I believe the overwhelming sentiment of the constituents I represent is opposed to socialized agriculture, but because I believe so firmly in the principles of a free economy and a free enterprise system—that I am willing to risk my political future on that issue.

It may be impossible to stop the march of socialism, but I have a fixed determination to resist that trend with all the strength and talent I possess.

You may recall that I had an exchange of correspondence with Governor G. Mennen Williams in May 1955, in which he urged me to support the high rigid farm price support program of the Democrats, and that I challenged both his facts and his reasoning.

I was willing to continue dairy price supports in the belief that Secretary Benson was not required under the law mandatorily to reduce price supports on dairy products as he claimed, or at least to reduce them at the time he did. But if there is any ambiguity in the law, I am willing to correct it, not only by clarifying the language of the present law, but by a Congressional requirement that 1957 dairy price support levels be continued temporarily.

At no time did I promise you or anyone else I would reverse the well-thought-out position I took previously against the socialization of agriculture by voting to return to the high rigid price-support program advocated by the Democrats.

Legislative decisions are not always easy. Frequently, legislators are forced to choose between two alternatives, neither of which is wholly satisfactory. I approach such difficult decisions knowing full well that I will be unable to please everyone, but I cast my vote on principles I have announced to my constituents and in what I believe to be the best interests of our country, not just for the present, but for future generations.

There is no question that changing the trend established under Democratic administrations toward the control and regulation of agriculture through subsidies and allocations is going to cause temporary hardship in some areas. If, however, we do not have the courage to make these adjustments

even though they may hurt, we will never get back on the road to a free agricultural economy.

You might be interested in the telegrams I have sent to Secretary Benson and President Eisenhower, copies of which are enclosed.

I realize that my statement may not serve to satisfy you or change your feelings about my decision. Nevertheless, I felt obliged to try to help you understand the choice I had to make during consideration of Senate Joint Resolution 162.

Sincerely,

GEORGE MEADER.

WASHINGTON, D. C., *March 31, 1958.*

Hon. EZRA TAFT BENSON,
Secretary of Agriculture,
Washington, D. C.:

Due to a parliamentary maneuver in the consideration of Senate Joint Resolution 162, many Representatives, of whom I was one, were prevented from voting for temporary extension of dairy price supports. We had the choice of voting for the continuation of all price suppports, mandatory and otherwise, thus reverting to the Democratic farm program, or voting against any price-support extension at all.

Dairy farmers in my Congressional District have made what appears to me to be a strong case for the temporary extension of dairy price supports. I would appreciate your giving thoughtful reconsideration, regardless of Congressional action on Senate Joint Resolution 162, to modifying your order to reduce dairy price supports from 83 percent to 75 percent of parity.

GEORGE MEADER,
Member of Congress.

WASHINGTON, D. C., *March 31, 1958.*

President DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.:

I have today sent the following telegram to Secretary of Agriculture Ezra Taft Benson:

"Due to a parliamentary maneuver in the consideration of Senate Joint Resolution 162, many Representatives, of whom I was one, were prevented from voting for temporary extension of dairy price supports. We had the choice of voting for the continuation of all price suppports, mandatory and otherwise, thus reverting to the Democratic farm program, or voting against any price-support extension at all.

"Dairy farmers in my Congressional District have made what appears to me to be a strong case for the temporary extension of dairy price supports. I would appreciate your giving thoughtful reconsideration, regardless of Congressional action on Senate Joint Resolution 162, to modifying your order to reduce dairy price supports from 83 percent to 75 percent of parity."

I would appreciate anything you might do to urge the Secretary of Agriculture to reconsider and modify his order with respect to reduction of dairy price supports. I am sure many of my colleagues would appreciate this action.

GEORGE MEADER,
Member of Congress.

CONGRESS SHOULD TAKE POSITIVE AND IMMEDIATE ACTION IN RELIEVING THE PLIGHT OF THE NATION'S ELDERLY CITIZENS

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, early last month the Federal Council on Aging, organized in 1956 and meeting for the first time in Washington, D. C., declared that the welfare of older citizens is everybody's responsibility. This Federal council set up by President Eisenhower is serving as a valuable clearinghouse for the coordination of the efforts of Federal, State, and local agencies as well as private groups, in programs designed to aid our elderly citizens.

The conference stressed the need for a total national effort aimed at smoothing the way for transition from active life of working and achieving to one of retirement and relaxation.

The size of the joint effort needed may be appreciated when it is considered that life expectancy has increased from 48 in 1900 to 70 today. It is estimated that by 1970 there will be more than 20 million persons over 65 as compared with only 3 million in 1900 and nearly 15 million today.

Mr. Speaker, while the Federal Council on Aging is striving to smooth the way for readjustment in the lives of our elderly citizens, the 85th Congress may well take heed and make a practical contribution by enacting appropriate legislation to grant relief to millions of good Americans who are trying to exist on either public assistance benefits or under the various retirement laws.

It is common knowledge that the monthly benefit check received by millions of elderly citizens is a mere pittance when measured by the current cost of living which is increasing monthly.

Let me call your attention to the following chart showing the consumer price index governing the cost of living and the purchasing power of the dollar from the period 1939 to 1957:

Year	Consumer Price Index (1939=100)	Purchasing power of the dollar (1939=$1)
1939	100.0	$1.00
1940	100.8	.99
1941	105.9	.94
1942	117.3	.85
1943	124.6	.80
1944	126.6	.79
1945	129.5	.77
1946	140.4	.71
1947	160.8	.62
1948	173.1	.58
1949	171.4	.58
1950	173.1	.58
1951	186.9	.54
1952	191.1	.52
1953	192.6	.52
1954	193.3	.52
1955	192.8	.52
1956	195.6	.51
1957	202.4	.49

As the chart shows, from 1939 to 1957 the cost of living constantly increased each year until 1957 when it was 102.4 percent over 1939. At the same time, the purchasing power of the dollar decreased from 100 cents in 1939 to 49 cents in 1957. In other words, the cost of living doubled while the value of the dollars was cut in half.

Mr. Speaker, this increased cost of living when coupled with a 49-cent dollar is working real hardship on thousands of beneficiaries of the social-security, railroad-retirement, and civil-service retirement systems, who must live on a fixed monthly income as represented by their monthly retirement check.

Mr. Speaker, the following chart reveals factual information as to the average age and average monthly payment received by beneficiaries of the Social Security Act:

Old-age and survivors insurance monthly benefits in force—1957

	Average age	Average payment
Retired worker:		
Male	72.9	$70
Female	70.9	52
Spouses	70.9	34
Widows and widowers	72.1	51
Parents	76.4	52
Young mothers	43.1	49
Children	12.0	39

Having mentioned the Railroad Retirement Act, the following figures disclose the average age and monthly annuity payable to beneficiaries under the railroad retirement system:

Beneficiaries under the railroad retirement system on Dec. 31, 1957

	Average annuity	Average age
Retirement annuitants	$114	71.6
Spouse annuitants	48	71.0
Pensioners	84	86.1
Survivor beneficiaries	52	----------
Retired employee and spouse families	172	----------

In addition, let me call your attention to the average age and the monthly annuity of the beneficiaries under the Civil Service Retirement Act.

Class of annuitant	Average monthly annuity	Average age
Employee annuitants:		
Men	$145	67.8
Women	116	66.9
Survivor annuitants:		
Widows	59	62.7
Children	23	12.7
All other	39	69.8

Mr. Speaker, the beneficiaries under the social-security, railroad-retirement, and civil-service retirement systems have all paid for their benefits and what they receive in the form of a retirement annuity are benefits they earned in their own right. Let me add that these monthly retirement checks represent a rigid and fixed monthly income which Congress alone has the power to alter.

It is true that the cost factor must be reckoned with because we are now told that social security is paying out more in benefits than is being received in payroll taxes.

The Railroad Retirement Board tells us that the estimated actuarial deficit in the railroad-retirement fund is $170 million annually.

Then, too, according to the committee report that accompanied the independent offices appropriation bill for 1959, the civil-service retirement and disability fund has been insolvent since June 30, 1953, and the insolvency has increased from $9,900,000,000 to $18,065,000,000 due

to the failure of the Government to make its contributions.

Mr. Speaker, it is universally recognized that the social-security, railroad-retirement, and civil-service retirement funds are in trouble along with millions of Americans over the age of 65 who are trying to live on a meager monthly retirement check. These recipients of earned benefits in the form of retirement pensions are forced to live under substandard conditions and many of them are barely able to exist.

At the same time, millions of Americans not covered by any of the three retirement systems are forced to exist on public assistance benefits administered by the various States. These public assistance benefits are notoriously low and, in justice to our aged, should be increased.

As I have already stated, the answer to the plight of these retired Americans rests with the 85th Congress. At this moment there are bills pending in Congressional committees that will liberalize benefits and partially improve the financial situation of retired employees under the social-security, railroad-retirement, and civil-service retirement systems.

I think these bills should be reported out of the various committees immediately and brought to the floor for consideration.

Every one of these bills is going to add to the cost of social security, railroad retirement, and civil service, but at the same time they will provide much needed relief for millions of Americans who are beneficiaries of the three retirement systems.

As pointed out previously, all of these retirement systems are operating at a deficit. To finance these deficits and pay the cost of any increased benefits by this Congress, a joint committee representing both Houses of Congress should be created immediately for the purpose of finding a solution to the overall problem of our elderly citizens.

Mr. Speaker, in conclusion, as I have tried to point out, the plight of our older people is acute. The retirement funds of social security, railroad retirement, and civil service are in financial straits, and public assistance benefits are wholly inadequate.

Therefore, let us stop quibbling and assume our responsibility to the American people by solving this distressing problem and giving to the older people of the Nation the relief to which they are entitled in keeping with the American standard of living.

THE MARINE CORPS

Mr. ALBERT. Mr. Speaker I ask unanimous consent that the gentleman from New York [Mr. ALBERT] may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ZELENKO. Mr. Speaker, "The Marines have landed." For over 150 years this electrifying phrase has indicated to the American people that any immediate danger to our homes and country is about to be overcome. It has raised wavering morale; it has renewed courage; it has signified continuance of security and it has brightened our glow of pride. It has meant to America that its freedom will be preserved.

The deeper significance of this rallying cry has been the will of the people, as manifested by its Congress through the years in maintaining and continuing the Marine Corps as the "always ready" branch of the Armed Forces of the United States. Compared with our other great fighting forces, its members have always been relatively small, because of the requirement of flexibility, speed and maneuverability in times of immediate danger. The Congress, realizing the necessity of providing these dedicated fighting men with adequate personnel and equipment has never stinted its monetary appropriations. However, within recent years, somewhere in the Department of Defense, the abortive desire to whittle away and possibly eliminate the Marine Corps from the defense picture has become more evident. In fact, due to the activities of this unknown and probably misguided segment of authority in the Defense Department, the expression "the Marines have landed" can be paraphrased and changed into "they have landed on the Marines." Moneys appropriated by the Congress for the specific use and maintenance of the Marine Corps have been diverted or permitted to lapse in the last few years, with the result that as these illegal efforts of the Defense Department continue, this arm of our protection has become weaker, the will of the Congress has been disregarded, and the Constitution and appropriate statutes have been violated. Despite the fact that there is statutory enactment for the requirement that the Marine Corps consist of three ready combat divisions and three ready aid wings, it is clear once more that the Defense Department by its budgetary request for the Marine Corps is continuing its war of attrition on the Marines. The following excerpt from the hearings by the House Committee on Appropriations for the Defense Department appropriations for 1959 is shocking:

> Mr. SHEPPARD. General Pate, last year you stated the proposed Marine Corps strength of 200,000 would provide for a "lean but ready" Marine Corps. On this basis I can only assume that the fiscal year of 1959 end strength of 175,000 will provide for an "emaciated but ready" force. How has this cutback in military personnel affected your ability to carry out your mission as the Nation's force in readiness?
>
> General PATE. I think it puts us in a very precarious position, Mr. Chairman. It actually will permit us to be at 75 percent of required strength, and I do not think that is quite all we should have. However, that is beyond my control, as you know.

I have faith that my colleagues will not permit this condition to continue. The Marine Corps must be restored to its necessary and authorized strength. Recently, a number of Representatives, including myself, have taken cognizance of this situation. The lapse of appropriated funds and the diversion of same from the use of the Marine Corps has resulted in the introduction of bills, including my own, H. R. 11541, which would prohibit the withholding or impoundment of appropriations and which would provide in substance that, notwithstanding any other provision of law, it shall be unlawful for any officer, agent, or employee of the United States, or any department, bureau, or agency thereof to withhold or impound or otherwise prevent any moneys appropriated by the Congress from being promptly used or applied by contract or otherwise for the purpose designated in the act appropriating the same.

It seems to me that perhaps this legislation might not even be required, for a thorough study of existing law reveals that section 3678 of the Revised Statutes (31 U. S. C. 628 (1954)) might be applicable. It reads:

> Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others.

Should it be determined that the foregoing law applies, enforcement of it by the appropriate agency should be commenced at once.

I believe that further aid and assistance in this pressing constitutional question can be obtained by investigation of this situation if placed in the hands of the Congressional Committee on Legislative Oversight. This is a most appropriate subject for their review.

Future and supplemental appropriation requests for the Marine Corps are now before the House Committee on Appropriations. My distinguished colleagues of that group are alerted to the instant situation and I know they will make available the necessary funds to bring the corps up to its necessary strength. However, I now state that I shall most carefully follow the proceedings to assist in accomplishing this purpose. It is my belief that an additional $85 million over that which is being considered is vitally necessary.

These funds cannot in their true sense be called merely money. They are the lifeblood of our existence. It is the exclusive duty of the Congress to keep the Marines in an adequate state of preparedness for our protection, it is a mission the Congress cannot divide or share—that we cannot delegate or shift. The burden is ours. Our duty is clearly set forth in section 8, article I of the Constitution.

The constitutional duty of the Congress to compel the Department of Defense to act properly in the matter of the use of the funds appropriated for the Marine Corps is one of our most urgent and immediate tasks. The Marines have protected the Constitution. The Constitution must now protect the Marines.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. TEAGUE of Texas (at the request of Mr. RUTHERFORD), on account of official business in his District.

To Mr. ROONEY, for the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SHEEHAN, for 20 minutes, tomorrow.

Mr. CELLER (at the request of Mr. ALBERT), to address the House for 1 hour, on April 23.

Mr. BOYLE, for 1 hour, on April 23.

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:

Mr. H. CARL ANDERSEN to revise and extend his remarks on the agriculture appropriation bill and include extraneous matter.

Mr. HILL and to include a report.

Mr. GATHINGS and to include extraneous matter.

Mr. LOSER and to include a copy of a bill.

Mr. MCGOVERN to include in his remarks on the bill H. R. 11767 a statement of the Amalgamated Meatcutters and others interested in the meat extension program.

Mr. WOLVERTON.

Mr. CUNNINGHAM of Nebraska (at the request of Mr. MINSHALL) and to include extraneous matter.

Mr. DIXON (at the request of Mr. MINSHALL) and include extraneous matter.

Mr. KEARNS (at the request of Mr. MINSHALL) in two instances and to include extraneous matter.

Mr. VAN ZANDT and to include extraneous matter.

At the request of Mr. ALBERT, the following Members were given permission to extend their remarks and include extraneous matter:

Mr. POWELL.

Mr. BYRD in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2715. An act to disestablish the Balls Bluff National Cemetery, Loudoun County, Va., and for other purposes. To the Committee on Interior and Insular Affairs.

S. 3087. An act to provide for the establishment of Fort Clatsop National Memorial in the State of Oregon, and for other purposes. To the Committee on Interior and Insular Affairs.

S. 3120. An act 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, Calif., for the 1958 and 1959 crops of wheat, and for other purposes. To the Committee on Agriculture.

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. 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 and 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.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 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.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 18 minutes p. m.), the House adjourned until tomorrow, April 2, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1769. A letter from the Secretary of Defense, transmitting the 10th Annual Report on the National Industrial Reserve, pursuant to Public Law 883, 80th Congress; to the Committee on Armed Services.

1770. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend title 10, United States Code, to revise certain provisions relating to the promotion and involuntary retirement of officers of the regular components of the Armed Forces"; to the Committee on Armed Services.

1771. A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting a report of the Air Force military construction contracts awarded without formal advertising for the period July 1 through December 31, 1957, pursuant to Public Law 241, 85th Congress; to the Committee on Armed Services.

1772. A communication from the President of the United States, transmitting proposed appropriations for the fiscal year 1959, in the amount of $3,942,092,500, for mutual assistance programs (H. Doc. 363); to the Committee on Appropriations and ordered to be printed.

1773. A letter from the Comptroller General of the United States, transmitting a report on the review of the Department of the Navy contract NOy-79345 with Pomeroy-Hawaiian Dredging-Bechtel, Subic Bay Naval Base, Philippine Islands, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

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. MACK of Illinois: Committee on Interstate and Foreign Commerce. H. R. 11668. A bill to amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended; without amendment (Rept. No. 1590). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BURDICK: Committee on the Judiciary. H. R. 6283. A bill for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell; with amendment (Rept. No. 1589). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H. R. 11799. A bill to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing a national park in the Wheeler Peak-Lehman Caves area of the Snake Range in eastern Nevada; to the Committee on Interior and Insular Affairs.

By Mr. CANFIELD:

H. R. 11800. A bill to authorize the Secretary of Agriculture to convey a certain parcel of land and buildings thereon to the city of Clifton, N. J.; to the Committee on Agriculture.

By Mr. FINO:

H. R. 11801. A bill to amend sections 802 and 803 of the Veterans' Benefits Act of 1957 to increase the burial allowance for deceased veterans from $150 to $250; to the Committee on Veterans' Affairs.

By Mr. FULTON:

H. R. 11802. A bill to establish a National Coal Research and Development Commission to stimulate, encourage, and enlarge the production and conservation of coal in the United States through research and development, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 11803. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

By Mrs. KEE:

H. R. 11804. 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. KITCHIN:

H. R. 11805. A bill to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research; to the Committee on Armed Services.

By Mr. LOSER:

H. R. 11806. A bill to amend title 18 of the United States Code so as to prohibit certain acts involving the importation, transportation, possession, or use of explosives, and for other purposes; to the Committee on the Judiciary.

By Mr. PELLY:

H. R. 11807. A bill to amend the Fisheries Cooperative Marketing Act; to the Committee on Merchant Marine and Fisheries.

By Mr. ANFUSO:

H. R. 11808. A bill to provide for the distribution of surplus food commodities by use of a food-stamp plan; to the Committee on Agriculture.

H. R. 11809. A bill to increase consumption of agricultural food commodities and products thereof among low-income groups through the issuance of food stamps; to the Committee on Agriculture.

By Mr. CURTIS of Massachusetts:

H. R. 11810. A bill to provide for nonveteran Federal employees the same appeal rights as are provided by law for veteran Federal employees; to the Committee on Post Office and Civil Service.

By Mr. FEIGHAN:

H. R. 11811. A bill to authorize the construction of a Federal office building in Cleveland, Ohio, and for other purposes; to the Committee on Public Works.

By Mr. FLOOD:

H. R. 11812. A bill to amend the Internal Revenue Code of 1954 to provide a 30-percent credit against the individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education; to the Committee on Ways and Means.

By Mr. FRIEDEL:

H. R. 11813. A bill to authorize temporary unemployment benefits for individuals who exhaust their benefit rights under existing State law; to the Committee on Ways and Means.

By Mr. HALEY:

H. R. 11814. A bill to amend section 406 of the Federal Food, Drug, and Cosmetic Act in order to provide that maximum concentrations for certain color additives used in coloring oranges be prescribed by regulation; to the Committee on Interstate and Foreign Commerce.

By Mr. YATES:

H. R. 11815. A bill to authorize the construction of a courthouse and a Federal office building in Chicago, Ill., and for other purposes; to the Committee on Public Works.

By Mr. GREEN of Pennsylvania:

H. R. 11816. A bill to establish a body corporate within the Department of Commerce to extend financial assistance to public and private companies providing transit and commuter service in our major metropolitan areas; to the Committee on Banking and Currency.

By Mr. BLATNIK:

H. Con. Res. 306. Concurrent resolution requesting the President to initiate comprehensive long-range plans for the acceleration of natural resource programs; to the Committee on Interior and Insular Affairs.

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 South Carolina, memorializing the President and the Congress of the United States 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; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of South Carolina, memorializing the President and 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; 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. BOLAND:

H. R. 11817. A bill for the relief of Adele M. Parker; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 11818. A bill for the relief of Jung Hae; to the Committee on the Judiciary.

By Mr. WILSON of California:

H. R. 11819. A bill for the relief of Mrs. Edith Roden; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 589. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Public Health—A Cause in Common

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 1, 1958

Mr. HUMPHREY. Mr. President, recently I was requested by the Today magazine, a national Catholic publication, to submit an article on the subject of Federal legislation in the field of health-service and public-health activity. The article was published in the April 1958 issue of Today, under the title "Public Health—A Cause in Common."

I considered it a real privilege and honor to be asked to submit an article to this splendid publication.

I ask unanimous consent that the article be printed in the CONGRESSIONAL RECORD.

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

PUBLIC HEALTH—A CAUSE IN COMMON

(By Senator HUBERT H. HUMPHREY)

At no time in history has the moral and ethical impulse in man been given wider expression in legislation than in the laws passed by the Congress of the United States in recent years. By legislation we have, for example, saved farm families from being driven from their lands by economic forces over which they had no control. By legislation, we have provided the unemployed with job opportunities. Families have not been permitted to go hungry, and men have been given the opportunity to regain a sense of purpose and dignity.

Equally significant is the legislation Congress has passed concerning our Nation's health. It is this field of legislation which I wish to discuss, the role of Government in helping to meet the medical needs of all our citizens.

Our Government has demonstrated—by providing National Institutes of Health research, programs for crippled children, vocational rehabilitation, and the Hill-Burton Hospital Construction Act—concrete expressions of man's regard for his fellow man. Such legislation demonstrates that men can discharge effectively that responsibility implicit in the recognition that we are our brothers' keepers. We meet that challenge in various ways, but because of the complexity of the issues and problems involved, let me refer to three of them here:

1. A new proposal for medical benefits under the social security program;

2. Developments in Hill-Burton legislation; and

3. The proposed Health Service Facilities Act.

According to a study made in 1956 by the Public Health Service, not more than 2 out of 5 men and women 65 or over have any kind of health insurance. This means that only 36.5 percent of the people who need it most have some form of insured protection against catastrophic illness.

Moreover, there are 55 million people in the United States who lack prepaid protection in case of medical emergency. Of those who live on farms in the United States, three-fifths of the families with incomes of less than $2,000 a year are completely without medical insurance. Furthermore, almost none of the families that do have health insurance enjoy really comprehensive insurance. While these figures are grim in themselves, the current growing unemployment throughout the Nation only makes a bad situation worse by its further strain on family finances.

In a highly integrated society such as ours, preventive medicine as well as the cure of disease itself concerns everybody.

Disease is incredibly ingenious in multiplying and spreading itself. It regards people with the indifference and objectivity of the telephone directory. Almost no one wholly escapes. Progress combating disease has resulted only from the united action of citizens joining together in common cause.

This principle provided the impetus behind the drive that finally gave us the victory over polio. Together in a common appeal we supported the dedicated work which finally culminated in Dr. Jonas Salk's vaccine. Many of us perhaps had no prospect of contracting polio ourselves. There was relatively small danger of the members of our families getting it; but we contributed nevertheless.

We can accomplish the same good in assuring medical care for 172 million health-conscious Americans, if we set our minds and hearts to it. But we must guard against the vested interests of some groups and the possible hysteria or extremism of others. Lack of restraint and judgment could lead us into schemes that could defeat their own

purposes. To work effectively, mass or group or total health projects in any form must be just to the patient, the doctor, and the general public.

Everyone knows that we are an enormously wealthy Nation. There is no reason why a single American family today should be submerged under a mountain of hospital and medical debt. It is clearly possible within the present democratic system to rid people of the No. 1 worry that afflicts the average American home. This can be done while physicians continue to enjoy their standing as individual practitioners serving their own patients and while patients likewise continue to enjoy their right to select their physician.

In the very near future a bill will be introduced in the Senate which will modernize and improve our existing legislation in the all-important field of medical insurance. Specifically, this bill will provide insurance against some of the major costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits. This new type of program would be paid for on an insurance basis through contributions to the OASI trust fund, thereby utilizing a national system which has already been given the Congressional stamp of approval.

Under this new health program aged persons and widowed mothers of young children would be entitled to 60 days of hospital care and to subsequent skilled nursing home care, up to a total of 120 days in a 12-month period. The cost of their surgical care would also be covered, while giving them free choice of qualified doctors.

Hospital services to be paid for under this new program include the services, drugs, appliances, and medical care ordinarily furnished by the hospital to its bed patients. Nursing home services include the skilled nursing care, related medical and personal services, and accompanying bed and board provided by a licensed nursing home. Surgical services, including oral surgery, would be all those provided in a hospital and which are certified as necessary by a doctor.

Starting in 1959, payments into the OASI fund would be increased by one-half percent each for employers and employees and three-fourths percent for the self-employed, in order to finance the proposed program.

This proposal has already attracted the favorable support of welfare workers, labor unions, cooperatives, business groups, and present recipients of OASI protection. Under the bill, every effort would be made to utilize the services and assistance of group health projects already in operation—projects like Group Health Mutual in my own State of Minnesota, where individuals are voluntarily pooling their own resources for prepaid medical care and where individual doctors associate themselves with the servicing clinic involved. Meanwhile, the bill would also have made inroads in meeting the chief problem facing present group health plans, the problem of the lower income, high-risk applicant.

We have in operation a second major health-related program, the Hill-Burton Act. Under it the Federal Government gives financial aid to States and Territories, to local governments, and to nonprofit agencies. This aid helps defray the costs of construction of hospitals, rehabilitation facilities, diagnostic and treatment centers, nursing homes, public health centers, and related health facilities.

Federal financial help under the act also makes it possible to conduct research to improve the development and utilization of health services and to make grants-in-aid to States, political subdivisions, universities, hospitals, and other public and private nonprofit institutions or organizations for such projects.

The Federal Government has authorized appropriations, through 1959, on the basis of population and economic need. How much does the Federal Government give? Financial participation varies from one-third to two-thirds. The payments are computed under each individual contract. The actual money is provided as the construction proceeds.

As of June 30 last year a total of 3,515 construction projects were approved, of which 2,346 were completed and in operation; 953 were under construction, and 215 were in preconstruction stages. All in all, these projects will provide 152,593 hospital beds and 888 public health and other medical facilities. Two-thirds of the approved projects (66 percent) were general hospitals, 3 percent mental hospitals, 2 percent tuberculosis hospitals, 3 percent chronic disease facilities, 17 percent public health centers, and 9 percent other related facilities.

Here we see use of the American tax dollar—coming back to the American people with compound interest—in terms of national health as expressed in the practical language of brotherhood. Each of us, under the democratic process of taxation, has contributed proportionately.

The appropriation for 1958 was $121,200,000. But this year the knives are out for this program. For 1959, the administration is asking much less, $75 million.

The present budget makers have the bookkeeper's devotion to saving dollars. What is needed is an even greater devotion to the importance of saving lives through adequate hospital care.

The administration's proposed appropriation under the act of 1959 says all we can afford for public health in the United States, through the Hill-Burton program, is one-tenth of 1 percent of a $74 billion budget. Seventy-five million dollars is completely inadequate for the work that must be done. What future has a democracy that thinks so little of its people's health?

Our 10-year-old law provides the format for what can be described as pilot legislation in its field. The Hill-Burton Act exercises Federal policy with striking effectiveness; yet here we have Federal participation and overseership that is wholly acceptable to local autonomy and what is sometimes called home rule.

What is called for now, it seems to me, is its implementation on a much wider scale.

The voices of those who cry "socialism" have been deadened, for the Hill-Burton Act can hardly be so classified without putting the same label on a vast amount of kindred legislation in other areas. And these are the areas of Federal legislation that these very critics frequently find not only acceptable but downright indispensable.

Yes, we have in operation successful and acceptable Federal legislation on a strategic front in public health. It works. The Hill-Burton Act is a model and a standard, a guide for further sound Federal law to benefit, by mutual self-assistance, the health of the people of our country.

Of the very same family of Federal legislation is my proposed, but as yet not enacted, Health Service Facilities Act. Here I suggest that the Government provide long-term loans for small community clinics. This act would have authorized appropriations of $5 million for fiscal 1957, $5 million for fiscal 1958, and $10 million for each of the 3 succeeding years to grant loans to approved voluntary health-service programs.

I describe the essence of this bill on the floor of the Senate on March 21, 1957: "* * * if a group of people in a community where health facilities are inadequate will get together to form a voluntary health plan organization, and be prepared to assume the financial responsibility for working out their own problem, then they may apply for low interest, repayable loans from the Surgeon General—under the supervision of the Secretary of Health, Education, and Welfare—to enable them to finance the physician's facilities which their community requires."

Again the initiative rests with the community and its willingness to push the progress of health. Once that is established under my proposed act the Federal Government would step in to do what Abraham Lincoln said government should do—perform those tasks "for the people * * * which they cannot do individually nor do at all, or do so well, for themselves."

Eventually, of course, there may be some comprehensive plan that will tie all of our health programs together. New reports from public and private medical insurance programs are now being assembled and computed. With the information from these studies more meaningful and comprehensive legislation will be possible.

But one thing is now clear. We simply cannot allow 55 million noninsured people to continue to suffer from the embarassments of bodily and mental strain inflicted by sudden illnesses.

The money contributed toward the public health out of one's taxes—through social security, group health, or some other associated course—may not always come back to the individual or his family, dollar for dollar. Or it may indeed come back, in far greater quantity than the contribution.

But in any case the health of the whole country benefits from these various methods of pooling resources. They will gradually enable our doctors to concentrate on, and be paid for, keeping us well instead of for trying to repair the damage done by preventable disease. We can gradually wipe out of the catalog of current strain and tension both the perpetual threat and the actuality of heavy, unexpected medical bills. A whole nation can breathe easier, its health and morale lifted, its psychological strength reinforced for the massive tasks that confront our generation.

Protection for Dr. Mario L'Erena

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1958

Mr. POWELL. Mr. Speaker, information has just been received by me from the Fidel Castro movement in Cuba that two hired assassins are applying for their visas from the American Embassy in Habana to come to the United States. They are being sent by the dictator of Cuba, Batista. Their names are Miguel Sotolongo and Juan de Dios Seloiziano, and their intended victim is Dr. Mario L'Erena, who is the national director of the 26th of July movement representing in the United States Fidel Castro.

I demand that the Department of State refuse to allow these two men to enter our country and I demand that Dr. L'Erena be protected. We cannot have another Galindez-Murphy assassination.

I have also learned that due to the revelation of the amount of arms sent by our Government to Batista, which was stated on the floor of Congress on March 20, 1958, and due to the remarks of my colleague, the Honorable CHARLES PORTER of Oregon, the State Department has canceled further shipment of arms to Batista.

A Bill To Prohibit Certain Acts Involving the Importation, Transportation, Possession, or Use of Explosives

EXTENSION OF REMARKS

OF

HON. J. CARLTON LOSER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1958

Mr. LOSER. Mr. Speaker, I am introducing today a bill to amend title 18 of the United States Code so as to make the transportation and/or possession of dynamite and other explosives in interstate commerce, with the knowledge and intent that such explosives will be used in violation of a law of the United States or of a State, Territory, or possession of the United States, a Federal offense, punishable by a fine of not more than $1,000 or imprisonment for not more than 1 year, or both. Should death result from a violation of the act, the offender, upon conviction, would be fined not more than $10,000 or imprisoned not more than 10 years.

Under the terms of the bill the possession or use of an explosive shall create rebuttable presumptions that, first, the explosive was transported in commerce, and second, that such explosive was transported in commerce by the person so possessing or using it.

This bill further provides that it shall be unlawful for anyone to introduce, deliver or receive for introduction, attempt to transport, transport, or cause to be transported in commerce any explosive.

Mr. Speaker, I believe this is a meritorious piece of legislation. Over the Nation in the last few years there has been a rash of explosions, causing property damage in the hundreds of thousands of dollars. These irrational acts of hoodlumism might be ascribed to many causes, but whatever may be the motivating force behind these deeds of terrorism, it is imperative that there be a Federal statute on the subject so as to lend aid to the States in these cases when it is apparent that State lines have been crossed.

Just a few days ago, Mr. Speaker, in the capital city of the great State of Tennessee, a religious recreation center was dynamited by some depraved and villainous person, resulting in damages running into the thousands of dollars. That loss of life did not occur was miraculous.

Almost simultaneously, in Miami, Fla., a religious structure occupied by the same religious faith, was dynamited.

In a newspaper of yesterday, I read of a dynamite blast wrecking a small church in a southern Alabama town. And a few days ago, in the Far West, a depraved person dynamited several structures.

Mr. Speaker, in my State of Tennessee, as well as elsewhere over the Nation, within recent years, goons and hoodlums in the labor movement have resorted to the use of dynamite and other explosives in labor disputes, resulting in coercion and intimidation. The vast majority of the members of organized labor are honorable, law-abiding people, but gangsters must be ferreted out by agents of the Federal Government. State laws, relative to the possession and transportation of dynamite and other explosives, have been inadequate to cope with the situation.

My bill specifically provides that it is not the intention of the Congress to occupy the field in which it operates to the exclusion of a law of any State except in case of an irreconcilable conflict.

With unanimous consent I am including a copy of the bill in the RECORD. It follows:

A bill to amend title 18 of the United States Code so as to prohibit certain acts involving the importation, transportation, possession, or use of explosives, and for other purposes

Be it enacted, etc., That chapter 39 of title 18 of the United States Code is amended by adding at the end thereof the following new section:

"SEC. 837. Explosives; illegal use or possession

"(a) Whoever—

"(1) imports into the United States or introduces, delivers, or receives for introduction, attempts to transport, transports, or causes to be transported in commerce any explosive, or

"(2) possesses any explosive which has been imported into the United States, or introduced, delivered for introduction, or transported in commerce, with the knowledge or intent that such explosive will be used in violation of a law of the United States or of a State, Territory, Commonwealth, or possession of the United States, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both; and, if death results from a violation of this subsection, shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

"(b) Whoever, in violation of a law of a State, Territory, Commonwealth, or possession of the United States, possesses any explosive which has been imported into the United States or introduced, delivered for introduction, or transported in commerce shall be fined not more than $1,000 or imprisoned not more than 1 year, or both; and, if death results from a violation of this subsection, shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

"(c) The possession or use of any explosive in such a way as to constitute a violation of a law of the United States or of a State, Territory, Commonwealth, or possession of the United States shall create rebuttable presumptions that (1) such explosive was transported in commerce, and (2) such explosive was transported in commerce by the person so possessing or using it.

"(d) As used in this section—

"(1) the term 'commerce' means commerce between any State, Territory, Commonwealth, or possession of the United States, and any place outside thereof; or between points within the same State, Territory, Commonwealth, or possession, or the District of Columbia, but through any place outside thereof; or within any Territory, Commonwealth, or possession of the United States, or the District of Columbia;

"(2) the term 'explosive' means a detonating fuze, fuze, primer, fuse, fusee, dynamite, blasting caps, black powder, liquid nitroglycerin, fulminate in bulk in dry condition, or any other high explosive.

"(e) This section shall not be construed as indicating an intent on the part of Congress to occupy the field in which this section operates to the exclusion of a law of any State, Territory, Commonwealth, or possession of the United States, and no law of any State, Territory, Commonwealth, or possession of the United States which would be valid in the absence of this section shall be declared invalid unless there is a direct and positive conflict between such law and an express provision of this section so that the two cannot be reconciled or consistently stand together."

SEC. 2. The table of sections of chapter 39 of title 18 of the United States Code is amended by inserting immediately below

"836. Transportation of fireworks into State prohibiting sale or use."

the following:

"837. Explosives; illegal use or possession."

SEC. 3. Section 14 of title 18 of the United States Code is amended by inserting "837," immediately after "797,".

The Civil Rights Commission Is Entitled to an Adequate Appropriation To Enable It To Carry on the Work Expected of It

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1958

Mr. WOLVERTON. Mr. Speaker, the Civil Rights Commission, appointed by President Eisenhower, in accordance with the provisions of the legislation enacted last year, is entitled to an adequate appropriation to enable it to fulfill the duties expected of it.

There is no justification to refuse the appropriation requested by the President in the budget submitted to the Congress. Refusal to do so would be an indirect repudiation of the act that was passed by Congress by an overwhelming majority. It was appropriate that such an act should be passed to protect the civil rights of all our citizens.

The individuals appointed to membership on this Commission are all men of high character and represent all the differing viewpoints. Their task is no easy one, but, we can expect that the duties and obligations imposed upon them by the act creating the Commission and defining its power, will be carried out with complete regard to the intent of Congress. The results attained, if not handicapped or curtailed by an inadequate appropriation, will justify not only the legislation as passed, but, also, the administration of the act.

The appropriation of $750,000 is necessary if the objectives of the Commission are to be fulfilled. The objectives are so important that there should be no hesitation upon the part of Congress in approving the full amount requested.

The granting of this appropriation will enable the Commission:

First. To investigate allegations 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.

These rights are fundamental to the citizens of this Nation. It is our duty as

representatives of the people to make certain that these rights are not curtailed or destroyed. Consequently we should support the appropriation now before us.

Amendments Needed to Reciprocal Trade Legislation To Protect American Industries and Labor

EXTENSION OF REMARKS

OF

HON. E. C. GATHINGS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1958

Mr. GATHINGS. Mr. Speaker, the House Ways and Means Committee is having hearings on the trade agreements bill and the bill of the committee will shortly be before the House for consideration. I rise to speak of my concern for American industries which have been seriously damaged by an influx of imports from low wage, highly industrialized countries, such as Japan.

The forest-products industry is an important industry in my State. An important segment of the forest-products industry is the hardwood plywood plants. The hardwood veneer used by the hardwood plywood plants in my State comes from logs harvested in my State. The veneer logs bring premium prices to the farmers and timber owners. The hardwood plywood industry is in trouble. Employment and production are down and profits in 1957 were approximately 1 percent. The cause of the trouble can be traced directly to the tremendous quantities of plywood coming from low wage, highly industrialized countries. Plywood imports have increased from 68 million square feet in 1951 to 850 million square feet in 1957, 1,200 percent. In 1957, imported plywood took over 52 percent of the American market, against only 7 percent in 1951. Hardwood plywood consumption in 1957 in the United States was 89 percent higher than 1951, an increase of 770 million square feet. There has been a high demand for the product of the hardwood plywood industry for several years, but American plants have not only been excluded from a share in the increased consumption, but have actually lost production to imports. Domestic shipments in 1955 were 934 million square feet; in 1957, 780 million square feet, a decline of 154 million square feet.

The highly industrialized Japanese plywood industry pays wages of less than one-tenth the average hourly wage in the plywood plants in my State. The labor cost in a 1,000 square foot of Japanese plywood is about one-ninth the labor cost in a comparable American plant. The argument of advocates for foreign trade that the higher productivity of the American worker equalizes the differential in wages does not apply to the plywood industry, or any other industry competing today with products made in highly industrialized Japan.

The hardwood plywood industry of my State cannot compete with the low-priced plywood from Japan. The differential in price is so great that an increase in duty alone will not remedy the situation. A quota on plywood imports is required. The administration has not been disposed to grant quotas on industrial products. So long as the executive branch can veto Tariff Commission recommendations there will be no quotas, although the Tariff Commission may find that quotas are required to prevent the destruction of one of our industries.

The plywood imports have steadily increased since 1951 absorbing a larger and larger part of the market, domestic prices have steadily declined and domestic production is now much less than 1951. Under such conditions, a domestic industry cannot long survive. The hardwood plywood industry is being destroyed by low-priced imports. Congress never intended for the Reciprocal Trade Agreements Act to be used as a tool of a foreign policy which permits imports to destroy our own American industries. It was intended that the act encourage exports but not the export of jobs. I am of the view that the act requires amending so that the real intent of Congress will be carried out. Congress should amend the Trade Agreements Act to provide for quotas where quantitative restrictions are needed and for the Tariff Commission recommendations in escape clause and peril point cases be final.

Israel's 10th Anniversary

EXTENSION OF REMARKS

OF

HON. GLENN CUNNINGHAM

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1958

Mr. CUNNINGHAM of Nebraska. Mr. Speaker, I am pleased to join many of my colleagues in marking the 10th anniversary of the founding of Israel.

A great experiment was launched 10 years ago on behalf of a people who have known murder, oppression, and deprivation as no other people in modern times. A new nation was formed for these people, a place of refuge and freedom, where they could lead their own lives and learn to live without fearing every knock on their front doors.

This nation was not large when compared to the size of many other countries; yet to it have come hundreds of thousands of persons seeking the peace and freedom which it held out. The way since then has not been easy, and peace has not been theirs to enjoy. Greed and age-old hates have made the life of this new nation precarious. Battles have been fought to protect its citizens. The road ahead is far from easy, but the nation stands stronger today than ever.

This strong little country draws its power from its people, for it has no natural resources to export, no ready-made industry, no bulging national treasury. Its natural resource is the courage of these displaced Jews. Its industry is the industry of these citizens. And its national treasury is the determination of these oppressed people to save their precious freedom, come what may. Through this decade of life, Israel has been growing stronger by feeding on the strength of its people.

I only hope that through these difficult years and in the years to come when danger threatens and the outlook might be bleak, that the hopes and encouragement of Americans will be a source of additional strength to these people. We in America cannot know the fierce determination of these people to work and fight for their new land. We cannot know how much this strip of desert means to the displaced Jews of Europe and the world. But we do know and admire their courage and love of freedom, for we like to think we have some corner on this market ourselves.

As Israel starts its second decade, I wish its people well. The way is hard, but surely they will always have their beloved freedom and homeland if there is justice left in the world.

Education

EXTENSION OF REMARKS

OF

HON. ROBERT C. BYRD

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1958

Mr. BYRD. Mr. Speaker, under previous leave to extend my remarks I wish to include a statement which I submitted this morning to the Subcommittee on Special Education. The statement is as follows:

Mr. Chairman, I deeply appreciate this opportunity to express my views to your subcommittee, and I know of no more important subject that can be given careful study by the Congress than that of education. 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 7 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 have introduced 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 one 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.

Mr. Chairman, 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 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. Chairman, 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 balance and, like Belshazzar, found wanting.

Mr. Chairman, I wish to compliment you and others of your subcommittee. In conducting hearings on this important subject you are paving the way for legislation which cannot be excelled in its importance to our country's welfare and security. I want to commend you upon the forthright and courageous position you have always taken in

this matter, and I am supremely confident that your continuing interest in so vital a subject will direct you and your subcommittee and the full committee to reach an ultimate solution to the grave problems which confront us in the field of education. The very survival, not only of our free educational system but also of our liberties and freedoms as Americans is in the balance. I urge you to continue in your quest for the facts which will enable you to report legislation eventually to the Congress for action whereby the means may be provided to promising students throughout the land to enable them to go on to higher education and to prepare them for the type of leadership so greatly needed if ours is to continue to be the land of the free. I trust that your subcommittee will look favorably upon the provisions included in my own bill, H. R. 11776, but, in any event, it is my greatest desire that legislation be devised which will meet the needs and accomplish the objectives I have sought to achieve. You are in the position to know what legislation is best. I am grateful for the opportunity to submit my views. Action is the order of the day.

The Sugar Act Budget

EXTENSION OF REMARKS

OF

HON. HENRY ALDOUS DIXON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1958

Mr. DIXON. Mr. Speaker, the committee has recommended that the Sugar Act budget be reduced from $76 million to $71 million. This decrease of $5 million will come out of the funds needed for making mandatory payments to producers of sugar beets and sugarcane.

The sugar-program budget as submitted to the Congress contemplated the deferral until fiscal year 1960 of substantially all of the payments to be made with respect to the 1958–59 Puerto Rican crop. On the basis of the 1958 production estimated in the budget, the committee's action would increase deferrals to over $21 million which would necessitate the holding up of payments on mainland crops as well as the Puerto Rican crop. Since the Puerto Rican crop is harvested late in the fiscal year, deferrals within safe limits do no particular harm in the case of Puerto Rico. But most of the mainland crops are harvested in the first half of the fiscal year and, therefore, delays in those payments could be injurious to growers. It should be kept in mind that last year's appropriation also was cut below the budget estimate with the result that deferrals have increased progressively. In considering these progressive increases in deferrals three facts should be remembered:

First. The entire sugar program includes a processing tax of $10 per ton which should yield $88 million this year for the purpose of financing the sugar program.

Second. The law requires the payments to be made.

Third. Because of the upward trend in domestic requirements and production, Sugar Act payments can be expected to increase on an average by more than $1 million per year. Therefore it will require progressively greater future appropriations to offset any inadequacy in the current appropriation.

An Official Version of the Star-Spangled Banner

EXTENSION OF REMARKS

OF

HON. CARROLL D. KEARNS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1958

Mr. KEARNS. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to include an analysis of my bill H. R. 10542, explaining my version of the Star-Spangled Banner.

It appears that my bill H. R. 10542, to prescribe an official version and the manner of rendition of the Star-Spangled Banner, has brought about a "tempest in a teapot" so far as public opinion is concerned. Newsmen have focused attention on a changed key which is not only unimportant but which has completely confused the issue. Clarification as to the intent of the bill appears to be in order.

The original act entitled "An act to make the Star-Spangled Banner the national anthem of the United States of America" in no way specifies which of the versions now copyrighted or which one of a hundred others that might be written, should be considered official. There is no indication anywhere as to proper notation or style of playing the anthem. The purpose of this bill is to establish as official the version that has grown to be accepted by the public through performance. The four stanzas remain as in the original and the bill merely establishes as official the notation and basic harmonics of the anthem as now generally being sung by the public. The fact that the key used in the proposed version is a-flat is suggested because it is believed that this key is the most singable for the majority of voices. This does not mean that the anthem should not be played in b-flat, c, a, or any other key a performer finds easier. The notation, however, does establish the exact rhythm pattern and suggested harmonizations that should be used when rendering the anthem at any official function. It does prevent anyone from tampering with our anthem as our forefathers knew it and as we now perform it. It will prevent crackpot versions and interpretations from being performed at official functions, but at the same time it allows a reasonable latitude regarding the voicing of instruments or accompaniment figurations by band and orchestra arrangers. The speed of the composition has been indicated by metronomic marking and the dynamic and tempo changes are indicated in a manner that allows for little error in interpretation even on the part of the amateur musician.

Actually, the bill does little more than recognize officially what is now generally accepted as the best way to perform the anthem. It will be of great assistance to conductors of bands and orchestras, particularly those conductors in foreign countries who frequently have occasion to play our anthem, but now find themselves at a loss, not only which version to use, but what tempo to employ or what phrasing to follow. The notation as proposed in this bill rectifies all that. It also makes it possible for any organization, whether it be 5-piece German band, a Dixieland combo, a string quartet, a concert band, or a symphony orchestra to make an arrangement from this version and to then play it in an acceptable manner. Passage of this bill will be a great step forward in assuring the best possible rendition of our anthem at all times throughout the world. The American public should be greatly pleased that Congress is now making the notation of the anthem official and recognizing that version which over a period of years has become established in the minds and hearts of most Americans.

Statement by Hon. James E. Van Zandt, Member of Congress, 20th District of Pennsylvania, Before the House Ways and Means Committee, Friday, March 28, 1958, in Support of the Van Zandt Bill, H. R. 11337, Designed To Extend State Unemployment Compensation Benefits an Additional 13 Weeks

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1958

Mr. VAN ZANDT. Mr. Speaker, under leave to extend my remarks, I include the statement I made before the House Ways and Means Committee, March 28, 1958, in support of my bill, H. R. 11337, designed to extend the benefit period of State unemployment compensation for an additional 13 weeks:

Mr. Chairman, the opportunity to appear before this committee in behalf of my bill, H. R. 11337, designed to extend the unemployment compensation benefit period 13 weeks is greatly appreciated.

For your information, my District in central Pennsylvania comprising the counties of Blair, Centre, and Clearfield has been classified as a labor surplus area for the past several years. At the moment in the Altoona labor market 15 percent of the 54,000 are unemployed; while in the Clearfield-DuBois labor market 13 percent of the 36,500 are unemployed.

In other words, of the 90,500 jobs that make up these two labor markets in my Congressional District an average of 14 percent or 13,000 are unemployed. Of course all of the 13,000 unemployed are not eligible for unemployment compensation because of the fact that nearly 4,500 are covered by the Railroad Unemployment Insurance Act leaving approximately 8,000 eligible for State unemployment compensation benefits.

Mr. Chairman, of the approximate 8,000 unemployed in my District and eligible for

benefits 1,062 of them have already exhausted their benefits and on May 1 an additional 1,788 claimants will exhaust their maximum 30 weeks' benefits with an additional 2,589 becoming ineligible on June 1. As the months go by the remainder of the 8,000 will also exhaust their eligibility for unemployment compensation.

Many of these 8,000 unemployed have suffered previous periods of unemployment because of the distressed conditions in the central Pennsylvania area which have prevailed for many years. Therefore, their earnings over a period of years have not been adequate to meet the cost of living for themselves and their families. As a result, when their unemployment compensation terminated they were forced as they are now to seek relief from the Pennsylvania Department of Public Assistance and in addition live on surplus commodities distributed to needy families.

Mr. Chairman, in connection with public assistance benefits in Pennsylvania, it is a requirement that a home owner give the Commonwealth of Pennsylvania a lien on his home to cover the amount of public assistance benefits he has received.

In many instances these unemployed when losing their eligibility for unemployment compensation benefits find themselves with homes partially paid for, and this requirement that they give a lien on their homes means they are further handicapped in having to compensate the State of Pennsylvania for the amount of public assistance benefits received.

Mr. Chairman, I have been talking about my own Congressional District, but I should like to speak briefly about the State of Pennsylvania as a whole. At this moment about 10½ percent of Pennsylvania's labor force of 4.6 million or about 488,000 are unemployed.

As you know, in Pennsylvania the unemployment compensation benefits are the most liberal of any in the Nation because as far as the duration provisions are concerned 30 weeks of benefits is payable to all qualified claimants.

The number of Pennsylvanians exhausting their unemployment compensation benefits since December 1957 totals 30,000. It is estimated there will be 12,000 more in March and another 15,000 in April. The total of those exhausting their benefits means that more than 50,000 of the unemployed in Pennsylvania will receive no further benefits during their present benefit year. This number of 50,000 is expected to increase sharply in the coming months.

As mentioned in the case of the unemployed in my Congressional District these 50,000 jobless Americans have been or will be forced to live on public assistance and surplus commodities.

Mr. Chairman, the conditions that I have outlined in my Congressional District and in the entire State of Pennsylvania in good conscience cannot be ignored. It is a situation that demands immediate action by this Congress.

It is for that reason that I introduced my bill, H. R. 11337, on March 11 of this year to enable the States to provide an additional 13 weeks of unemployment compensation for individuals who exhaust their benefit rights under existing State law.

In addition, my bill provides that the Federal Government would be authorized to transfer to the various States the necessary funds from the Unemployment and Trust Fund established under section 904 of the Social Security Act.

In this connection I realize there is under debate at the moment the question as to how the cost of the extension of unemployment compensation benefits can be absorbed. It is not my intention to try to resolve the matter. As far as I am concerned I am willing to leave the problem to the experts.

My immediate concern is to have Congress provide relief for the unemployed of the Nation who have exhausted their eligibility for unemployment compensation benefits and to accomplish that objective in a prompt and feasible manner.

Since I mentioned the unemployment problem in Pennsylvania, it is of equal interest to state that the fund balance is low. For example since December it has declined from $345 million to $280 million, while benefits are being paid at an increasing rate averaging $1.7 million a day. Therefore, it is plainly evident that if the benefit period for unemployment compensation is extended the State of Pennsylvania will need financial assistance as undoubtedly will the other States.

I am not qualified to discuss in detail the financial aspects that must be considered in providing funds for any extension of unemployment compensation benefits. I feel certain, however, that the urgency of the situation will enable fiscal experts to determine a satisfactory solution of this problem.

Therefore, I sincerely hope that this committee will take favorable action on my bill or any other legislative measure that will provide an extension of State unemployment compensation to qualified claimants. By taking positive and immediate action Congress will provide relief for millions of American wage earners who through no fault of their own find themselves unemployed and without any source of income.

The United States Air Force Band

EXTENSION OF REMARKS

OF

HON. CARROLL D. KEARNS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1958

Mr. KEARNS. Mr. Speaker, in view of the fact that winning the friendship of the world's peoples is one of the most important tasks facing the American people today, I would like to pay tribute to an organization and its leader which has been overwhelmingly more effective in this effort than any medium which we have yet devised. This includes the employment of myriads of approaches such as financial and military aid, printed and radio diffused information, speakers, exhibits, movies, and even balloons. In this all-important struggle to win the hearts and minds of foreign nationals, the unusual successes of this organization are predominant. It is probably the sole American product whose authenticity or worth remains unchallenged by the Soviet Union. Although this has been attempted on several occasions, its every effort in this connection has boomeranged disastrously. As a result of these complete and utter failures, the Russian propaganda mill has taken the official stand that so far as this particular organization was concerned, absolute silence would be the only policy.

The group to whom I have reference is one I prefer to call America's musical ambassadors of goodwill, the United States Air Force Symphonic Band. In connection with music, I might add that the Soviet Union is a past master at the exploitation of this art. For years she has used songs and plays to change men. Her foremost artists and entertainers are sent throughout the world very frequently and with great success. In fact, no less a personage than ex-Foreign Minister Vishinsky said:

> We will win in this battle of ideas. Not by the atom bomb but with our superior brains, ideas, and doctrines.

The distinguished conductor of this outstanding aggregation is a fellow Pennsylvanian and former colleague of mine, Col. George Sallade Howard. The son of Hayden and Florence Sallade Howard, he is a native of Reamstown, Pa. Holding the additional position of Chief, Bands and Music, United States Air Force, Colonel Howard is the recipient of five degrees. He graduated with honors from Ithaca College, Ithaca, N. Y., and then attended the Ohio Wesleyan University, where he obtained his bachelor of arts degree. Both his bachelor of music and master of music degrees were received from the Chicago Conservatory of Music. He subsequently received his master of arts degree from the New York University, and then returned to the Chicago Conservatory for his doctorate of music.

Ideally suited for his position, Colonel Howard's musical career embraces every phase of that art, having been at various times a player, soloist, conductor, composer, and music educator. Having begun his career with the famed Patrick Conway band as a clarinetist and later soloist, he then entered the field of music education, where he spent the next 20 years in various supervisory capacities. These included being instructor in clarinet and saxophone at Ithaca College, instructor of wind pedagogy at the Ohio Wesleyan University, director of music at the Mansfield, Pa., State Teachers College, director of music at Mooseheart, Ill., dean of the Ernest Williams School of Music, Brooklyn, N. Y., and an instructor at the Montclair, N. J., State Teachers College. At the time he entered military service Colonel Howard was the director of band, orchestra, and chorus school at the Pennsylvania State University.

He entered the Department of the Army with a captain's commission in 1942 and served in the capacity of executive officer in the Music Branch of the Special Services Division. This was followed by overseas service in Greenland, Iceland, and Newfoundland where he organized musical programs for the North Atlantic Command. He then transferred to the United States Air Force on March 15, 1944, and was appointed commander and conductor of the United States Air Force Band, a position he has held since. In recognition of his outstanding ability, he was promoted to major in 1946, lieutenant colonel in 1949, and colonel in 1951. He has twice received the Legion of Merit, the first one being personally presented by the late Gen. H. H. (Hap) Arnold, and the other by the former Secretary of the Air Force, the Honorable Donald A. Quarles. Colonel Howard is also the recipient of the Commendation Medal with five oak-leaf clusters and has been additionally decorated by the King of Cambodia and the Guarde Republique. A past president—1956–57—of the American Bandmasters Association, he is a member of the National Association

for American Composers and Conductors, Phi Mu Alpha, Phi Kappa Lambda, Phi Kappa Tau, Kappa Kappa Psi, and the Alfalfa Club.

Three months after Colonel Howard assumed leadership of the United States Air Force Symphonic Band, a period replete with intensive rehearsals, organizational changes, and introduction of innovations, the newly constituted group was sent on a tour of major cities in eastern Canada. Canadian audience reaction to the music of this new group was aptly expressed by Mr. Edward Wodson, music editor of the Toronto Evening Telegram, who in reviewing the band's debut said:

It was one of the most musicianly bands ever heard in Toronto. It played like a military band, like an orchestra, like a brass band, like an organ. A glorious band. When comes there there such another?

Mr. R. B. Hayward, dean of Canadian bandleaders went even further when he declared:

I have been a director of bands for nearly 50 years, so it may be presumed that I know something about them. I have heard the best of the world's bands in my travels, bands from and in Europe, Asia, Australia, South America, etc., but never have I heard one which displayed so much virtuosity. It is my considered opinion that the USAF Band has everything a perfect band should have.

Returning to the United States, the band gave a command performance at the White House and was then sent on a 4-month tour of England, Scotland, and France. The band played for a bomb-weary British public at a time when morale required bolstering as well as for the entertainment of Allied troops. It also participated in propaganda broadcasts beamed to Germany and performed regularly for the British Broadcasting Corp.

Again, the results proved flattering. The style, precision, and versatility of the organization amazed the musical experts of those countries. They could not comprehend how a band could give a performance of Rimski-Korsakov's Scheherazade comparable with that of any symphony orchestra and in the next breath play Boogie Woogie Washerwoman in a manner that would rival Benny Goodman. Normally staid and austere music critics mellowed considerably when they declared the organization a "revelation in musical artistry" and that there could be none finer. The band remained in Europe until the conclusion of the Battle of the Bulge and was then returned to the United States.

The end of the war in 1945 marked the subsequent disbandment of this great organization. Rapid demobilization reduced the 100-man group to 5 men and Colonel Howard himself was about to resume his former position at the Pennsylvania State University. Thus the word finis appeared to be written to the remarkable record of a remarkable group.

Not wanting to do without its fine band, the United States Air Force prevailed upon Colonel Howard to remain in the service and reorganize the unit into some semblance of the World War II organization. Accordingly, he resigned his position as director of the band, orchestra, and chorus school at the university and accepted the challenge. With the lone exception of Colonel Howard, music experts were of the unanimous opinion that it was an impossibility to assemble a musical organization that could even remotely approximate the magnificence of the wartime phenomenon. These critics, however, failed to take into consideration the scope of Colonel Howard's perseverance and ability to organize. Within a period of 2 years, he not only succeeded in forming an aggregation equal to that of World War II, but also accomplished the impossible; that is, creating an organization that actually surpassed its predecessor.

The newly reorganized group was to merit even more widespread acclaim. As a result of tours in the United States, it received plaudits ranging from the Chicago Herald-American's "the Nation's finest band" to the San Antonio Express' "it is the best band we have ever heard." On the Washington scene the organization took its place alongside of the official bands of its sister services and presented weekly concerts at the Capitol steps and the Watergate, participated in radio and television programs, parades, arrival ceremonies, and performing at other official functions.

At this time, the band was organized with such a balance that it was a complete entertainment unit in itself and could provide suitable music for any occasion. This was done by its ability to resolve itself into a 100-piece marching band, a 90-piece symphony orchestra, an 85-piece symphonic band, a 40-piece symphonette, a 25-voice glee club—the Singing Sergeants—5 dance bands—including the Airmen of Note and the Jumping Jacks—and numerous chamber and instrumental groups—including the Singing Strings, the Strolling Strings, and the Four Saints. Rare is the day when one or more of these elements are not performing at some function or other.

These new successes notwithstanding, the United States Air Force Symphonic Band really hit its stride during the summers of 1950, 1951, 1953, 1954, 1955, 1956, and 1957. During these years, and with the wholehearted cooperation of the Department of State, the organization made goodwill tours of a total of 37 countries on 4 continents. Over and above playing for troop entertainment and in communities adjacent to the sites where our overseas military personnel are stationed, thus contributing to better relations between these two groups, the value of these tours has been accurately appraised by the Wesermuender Rundschau, of Bremerhaven, Germany, when it commented:

It was a fortunate idea to make an orchestra the ambassador of a nation, for what the politicians with their sober minds seldom create, these artists succeeded within a few moments.

In the southern part of the same country and in a city which just a few years ago was as anti-American as was possible, the Berchtesgaden Anzeiger editorialized:

They are doing more good with their good playing and their courteous manner than could be done by a bundle of propaganda pamphlets or well sounding words.

Across the world in once embittered Hiroshima, Mayor Watanabe put it this way:

You have brought the hearts of our nations closer together.

These are not isolated instances. A similar unanimity of acclaim has greated the band from Beirut to Bangkok, from Bodo to Saigon.

In all, the United States Air Force Band has played in person to a total of 16 million people whose identities range from the royal family of England to the Chinese coolie, from the royal family of Cambodia to the Icelandic fisherman, and from the Pasha of Casablanca to the London chimney-sweep. It has proven to be an alltime prize crowd gatherer and holds attendance records in practically every one of the 37 countries in which it has appeared. Astonishing as it may seem, the USAF Band has outdrawn Hitler in stadiums that he himself had built, musical events in Austria, football games in England, wine festivals in Germany, political demonstrations in France, and even bullfights in Tangier. Some of its more noteworthy attendances are 200,000 at Manila, 130,000 at Berlin, 80,000 at Naples, 70,000 at Beirut, 55,000 at Nurnburg, 50,000 at Phnom Penh, 40,000 at Nancy, France, and 30,000 at Luxembourg, Chaumont, Kaiserslautern, Honolulu, Tripoli, and Chester, Wales. Here is truly a medium which is capable of reaching and most favorably affecting more people than anything at our disposal. Of equal importance is the fact that these concerts are met with an unduplicated enthusiasm that is reflected in popular, official, and critical acclaim.

The Trondheim, Norway, Nidaros summed up the situation in a nutshell when it reported:

Should the Russians wish to counteract the results of this orchestra, they better send the whole Bolshoi Theater ensemble right away.

To my way of thinking, the United States Air Force Band and Symphonic Orchestra have a proven record of accomplishment, globalwise, that we as the Congress, and as American citizens, should recognize and encourage to still greater achievement.

Surplus Food for Needy Families

EXTENSION OF REMARKS

OF

HON. WILLIAM S. HILL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1958

Mr. HILL. Mr. Speaker, there has been much discussion on the floor of this House concerning the policy of the Department of Agriculture on the domestic use of surplus food to needy families. Many of these statements fall far short of giving the entire story to our people.

In a statement made in the House on March 25, 1958, Congressman DINGELL, of Michigan, accused the Department of withholding surplus foods from donation to the needy in this country while, at the same time, increasing the volume of foods donated overseas. Mr. DINGELL reaches this conclusion on the basis of a misinterpretation of statistics in the Department's press release of February 10, 1958, on surplus donations in this country and overseas. Specifically, Mr. DINGELL points to an apparent decline in the figures for domestic donations of cheese and nonfat dry milk during the first 6 months of the current fiscal year as compared with the same period last year, while overseas donations of the same foods substantially increased.

The Congressman further directly states that a number of food items are not available for domestic donation purposes because of, first, sales of certain commodities for foreign currencies under title I of Public Law 480; second, the operation of the flexible price-support program; and, third, failure to purchase and make available for donation certain perishable foods under section 32 of the Agricultural Act of 1949.

The facts of the matter are these:

DOMESTIC DONATIONS

Surplus foods in Commodity Credit Corporation stocks are first made available for donation to domestic outlets—schools, charitable institutions, and needy families. Only after these needs are fully met are the commodities offered for overseas donation. The priority for domestic outlets is set forth under the donation authority contained in section 416 of the Agricultural Act of 1949, as amended, and has been strictly observed by the Department. During the current fiscal year five commodities have been available for donation to needy families—cheese, nonfat dry milk, rice, corn meal and wheat flour. Shipments of these commodities to the States this year have been made in the full amounts they have requested. Shipments of cheese and nonfat dry milk to the States for the period July–December of this fiscal year did fall below shipments for the comparable period last year. This, however, reflected the fact that the number of needy persons participating in the distribution program during July–December of this fiscal year averaged about 600,000 fewer persons than in the same period of the previous fiscal year. In addition, 5 million pounds of dry milk and 2 million pounds of cheese were shipped to Puerto Rico for special emergency relief feeding of hurricane victims during the first half of the fiscal year 1957.

On March 19, the Department announced the addition of surplus butter to the foods currently being donated for distribution to needy persons within the continental United States. The butter will become available to recipients at the local level as soon as it can be processed into one-pound packages and shipped.

During the past year and a half supplies of surplus butter acquired by the Department have permitted distribution for use in school lunch programs and by charitable institutions. We are now able to extend distribution of this food item to needy persons.

EXPORT SALES

While the Department of Agriculture stands ready to supplement State and local welfare programs through surplus food donations, it must be recognized that one of the Department's basic responsibilities is to prevent surpluses from developing. Since 1954, export sales are being increased and new export markets are being developed under Public Law 480. Under titles I and III of this law the Department operates programs which involve sales and barter—not gifts. Through this law Congress made it possible for foreign countries to pay for United States agricultural imports with their own currencies. The foreign currencies being received under Public Law 480 go for many useful purposes, including the development of new United States export markets. However, except for price supported foods being distributed to domestic outlets in this country relatively few items suitable for use in domestic donation programs have been sold under the title I program.

SPECIAL PURCHASES FOR RELIEF DISTRIBUTION

The Department does not have authority to arbitrarily increase support prices for agricultural commodities in order to acquire foods for donation to the needy. Neither does it have authority to conduct section 32 operations solely for such purposes.

Finally, a look at the record will show that the Department has done its utmost, within the bounds of legal authority, to provide the maximum quantity of surplus foods that could be made available for donation to needy families. In 1948–49, when unemployment reached fairly substantial levels, total donations of surplus foods to needy families amounted to only $619,000 worth of food to 119,000 people. In 1957, surplus foods amounting to $78 million were distributed to over 3 million needy people.

Management Views Automation

EXTENSION OF REMARKS

OF

HON. ROBERT C. BYRD

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 1, 1958

Mr. BYRD. Mr. Speaker, under leave to extend my remarks I wish to include a speech which I delivered last week at Morris Harvey College, Charleston, W. Va,. upon the occasion of a meeting of the Southern West Virginia Council of the National Management Association. My address was entitled "Management Views Automation." The address follows:

It is a distinct pleasure for me to meet with you here at this conference where you, concerned with management, are dealing with many of the most crucial economic and social problems facing our Nation today. I am particularly glad to be able to say a few words to you on the subject of automation, not because I am in any sense an expert in the use of fully automated machinery or giant electronic computers, far from it, but because I am thoroughly convinced that the inventions and processes which are lumped together in the term automation are having a profound effect on our lives, an effect that is only just beginning. We ain't seen nothing yet.

Just think, 10 years ago hardly a soul had heard the word automation. Even today it has not been dignified by a place in the latest edition of Webster's unabridged dictionary. And yet think of the flood of books, technical articles, popular magazine pieces, conferences, hearings, and debates that have already dealt with this subject.

Thus it is hardly surprising that the literature on the subject abounds in a welter of confusion and paradox. For example, on the one hand, we are assured that automation is nothing new. As Don Mitchell, president of Sylvania Electric Products, Inc., put it, "automation is only a more recent term for mechanization which has been going on since the industrial revolution began." On the other hand, it is frequently called the second industrial revolution, and represents characteristically a development of the innovations in electronics of World War II and its aftermath.

We hear automation spoken of as threatening a great amount of unemployment. Professor Norbert Weiner, who perhaps more than any other one man is responsible for the development of various kinds of electronic data processing machines, popularly called mechanical brains, has warned that the advent of automation will, and I quote, "create an unemployment situation which will make the 1930's seem like a pleasant joke, because the automatic machine is the precise equivalent of slave labor. Any labor that competes with slave labor must accept the economic conditions of slave labor." On the other hand, we find others suggesting that automation will give employment opportunities greater than any we now know; and many, in fact, fear that automation will accentuate a severe labor shortage in the not too distant future.

On the one hand, automation has been called a threat to small business, when seen from the way in which it may add to the competitive strength of giant corporations who can afford expensive automation equipment. On the other hand, it has been argued that automation will be a great boon to small business, in some cases, permitting such businesses to compete directly with the giant firms as a result of greater flexibility and adaptability and, on the other hand, serving as greatly expanded distribution and servicing units for the output of automated plants.

There are those, mindful of the phrase that these new machines can do everything except to buy the goods they make, who believe that automation will disrupt our entire economy. On the other hand, claims are made that the machine will come to the point where one day man's entire life will be that of eternal leisure, perhaps even monotonous leisure, interrupted only by occasionally feeding paper tape to some hungry electronic computer. In all this welter of confusing and contradictory opinions, it is indeed sometimes a bit hard to find the truth. As a matter of fact, perhaps we can find an element of truth in a good many of these paradoxes. Certainly automation as we know it has its roots in inventions of past decades and centuries. At the same time, these inventions are bearing fruit in a way today which was quite unknown as recently as 10 or 12 years ago. We may be sure that, like almost all great new inventions, automation machinery and techniques will create new employment opportunities by the thousands; at the same time it would be idle to deny that serious dislocations of labor are a possible and even probable byproduct of automation. Similarly, many

small businesses will find themselves hard pressed, and in some cases pushed to the wall, as a result of the ability of large firms to adopt automation techniques successfully that are beyond their resources. At the same time, other small businesses will thrive as a direct result of the introduction of automation, the increase in production it makes possible, and the new requirements which automated plants have. To what extent automation will lead to increased leisure and to what extent to increased consumption of goods, I don't believe anyone can say. But we may be sure that, if properly used, it can certainly open up vast new areas for the enrichment of human life and the enhancement of happiness.

Although I don't intend to dwell particularly on the technical aspects of automation, I do think I should indicate to you what seem to me to be the three essential elements of automation today, which when taken together make it a factor of such great significance. First is the linking together of conventionally separate manufacturing operations into lines of continuous production through which the product moves without any human intervention. Continuous automatic production is perhaps the best term for this aspect of automation. Second, characteristic of automation is the use of feedback control mechanisms which permit a wide variety of operations to be performed without any necessity for human control. Such feedback devices, of which the ordinary thermostat is probably the most common example, are dependent primarily on electrical engineering knowledge and techniques. And, finally, automation is characterized by a growing utilization of and dependence on general and special purpose computing machines capable of recording and storing information and of performing both simple and complex mathematical operations on such information.

Although the application of electronic and completely automatic production equipment is essentially a postwar phenomenon, we already find an amazingly large number of industries and services in which automation has been successfully adopted. These include, in manufacture of durable goods, notably the chemical industry, the electric equipment industry, the oil industry, steel works, and the automobile industry. Among nondurable goods automation has made great headway in manufacture of bakery products, munitions, paper, and textiles. In the field of communications, automation has been notable in the telephone and telegraph industry, is being used ever more widely for the reservation of seats and freight routing in railway and air transport, and it is being adopted with increasing success in the postal service. In the banking field, it has been very successful as a device for the recording of checks and performing a host of bookkeeping operations. Other offices have used electronic computers to control inventories, and for invoices, payment of wages, and so forth. In the Government, they have been used for, among other purposes, checking income-tax returns, for manipulation of research data and for the solution of meteorological and military problems.

One of the first and best known examples of a completely automatic plant is the grenade factory in the arsenal at Rockford, Ill. Only 140 men work on a shop floor a million square feet in extent, including engineers and men responsible for handling and servicing the machinery. No human hand touches the product from the time when blocks of steel enter the manufacturing process to the time when the finished weapons have been packed. This plant, built toward the end of World War II, is already partially obsolete since it would be possible to reduce still further the number of men on the shop floor if the newest devices and methods were to be employed.

I have been particularly impressed by the way in which the American chemical industry, with its continuous-flow processes, has been successful in adopting automation. Between 1947 and the middle of 1955, largely as the result of the adoption of automation techniques, production increased on the average of 7 percent each year, although the total number of production workers remained practically constant. While the total number of workers in this industry rose from 694,000 to 791,000, only 7,000 of this increase of almost 100,000 employees were production workers.

Many other industries, notably in the communications field, have had similar employment experience. As new automatic machinery was introduced, many companies have been able to absorb the workers displaced by such machinery into other jobs, which in many instances involved upgrading within a relatively short period of time.

There are, of course, a number of industries in which the nature of the product manufactured or service performed is such as to be relatively poorly adopted to automation with its feedback techniques. Such industries include primarily agriculture, retail trade, professional and other services, construction, and mining. This is not to say that automation has no place in these fields. Data-processing equipment, in particular, is almost daily becoming more and more adaptable to relatively small-scale operations. And, of course, in many of these industries, notably agriculture and much mining, great increases in productivity have been achieved through mechanization and other improvements in production techniques, quite apart from automation considered in its current meaning involving feedback techniques and electronic computing machinery.

All competent authorities assure us that we have just begun to disclose what electronic data-processing machines and continuous completely automatic production lines can be used for; we have just scratched the surface and it is difficult to tell how far we will go. Some people say that, outside of agriculture, there is hardly a single large-business concern in the United States which is not giving serious consideration to the possibility of benefiting from the advantages of automation.

Those of you who have had some experience with automation know, and the rest of you can readily imagine, that automation is no panacea for our economic ills. The tools of automation may help management perform more intelligently. But at the same time, they often place a heavier responsibility on the manager than he had before. The consequences of mistaken judgment can be far more serious than they were before automatic machinery had been introduced. I have been quite impressed, in fact, at the great variety of problems which you, as management leaders, face in this field of automation.

Concerned as you are with management of companies big and small throughout the Nation, you will recognize, of course, that to undertake the automation of a production line or the installation of a complete battery of electronic data processing equipment, is a project not to be undertaken lightly. Thus far, automation equipment is, as you are no doubt acutely aware, still usually very expensive and is not likely to be reduced substantially in price in the next few years. We are still very much in a development stage in the production of automation equipment, most such equipment being custom made to fit particular demands for production or for the compilation and interpretation of useful economic data.

Why then have companies adopted automation?

It has been often said that the increasing cost of labor is turning more and more companies into serious consideration of adopting automation equipment. This certainly has an element of truth. However, we must recognize that this is only one of many factors that lead in that direction. Fully as important is the fact that a great many products that are characteristic of our modern technology can be efficiently and effectively produced only with automation equipment. Use of a completely automated production line makes it possible to assure standards of uniformity, to handle materials of very high temperatures and pressures and to use substances that are dangerous for men to be in contact with, which could never be undertaken before without such automatic equipment. Automation in fact opens up a whole new galaxy of products which could never be produced under previous types of technology.

It is obvious, therefore, that the responsibilities of management with respect to the modern automatic machinery and electronic data processing equipment is an awesome one. The range of decisions which must be made is formidable, particularly in view of the substantial initial investment involved and the impact which the introduction of such machinery and equipment will have on the entire operations of the corporation and often even of the community of which it is a part. We have had enough experience with automation to know that its introduction has not always been a painless affair, even when carefully planned and calculated in advance. Last year, for example, the periodical Business Week described in some detail the sad plight of one company, the A. O. Smith Corp., which produces automobile frames, when it attempted to introduce a completely automatic assembly line. At an original cost of about $4 million, it installed a single 600-foot-long machine designed to weld and rivet more than 200 automobile frames per hour. Because of a variety of factors, including haste in assembling the machinery and failure to prepare the workers for such production on this machinery, the operations of this giant machine were plagued with constant snags and interruptions and led finally to its abandonment and reversion to the semi-automatic lines which it had previously utilized in the same plant. It was a painful lesson.

The effect of automation on management carries over into so many areas. It usually means a complete redesigning of the production process and often of the product itself. Usually a considerable period of installing automatic machinery, breaking it in, and working out the bugs in the system, will be necessary before it can operate properly. Maintenance becomes a crucial consideration, in view of the high cost normally involved when a fully automated production line breaks down. It requires new techniques of work and supervision of work. It requires, in many cases, new sales techniques. The adjustment of workers and of the community to the new machine and its consequence is often an awesome management responsibility. Let us consider a few of these basic responsibilities.

Design of product and process has come to be one of the first management problems connected with automation. There is a sad misconception abroad that all that is necessary to do to make an automatic factory, once the various elements of production are there, is to connect the proper instruments to the computer—that is the central control mechanism—and attach a machine. This can hardly ever be done satisfactorily. Actually, the redesign of a product or a process or of machinery and sometimes of all three must be done to take full advantage of the new technology.

One of the greatest controversies surrounding the introduction of automation into a community has been the anticipated

or the actual effects of such an action on labor in the community. Many workmen are very much afraid of their future position when they hear that a plant is likely to be automated. And it isn't only a fear of losing a job, serious as that unquestionably is, for a great many workers who, because of lack of training, lack of ability, or age are unable to adjust themselves to the newer technology once it is introduced. Even under the most favorable circumstances the impact of such an event is profound on worker and manager alike. Some hourly workers who switch from the intense physical work to the new work of regulating and checking the automatic machinery, being prepared to intervene only for maintenance in case of a breakdown of one kind or another, are at least in the beginning resentful of the change. Thus, in one study of workers in a new automatic mill, comments like the following were made by hourly workers: "I'd rather have to work hard for 8 hours than to do nothing physical but have to be tense for 8 hours the way I do now." Or again, "On my old job, my muscles got tired. I went home and rested a bit and my muscles were no longer tired. On this new automatic mill, your muscles don't get tired but you keep on thinking even when you go home." This, of course, is by no means a unanimous reaction. There is in contrast, the case like this, where a woman operator was assigned to an automatic assembly machine. Her production manager stated and I quote, "The first day we put that girl on the new machine she was almost in tears. She said it made her nervous. Three days later, she came in with a package and asked me to find out who had designed the machine. She wanted to give the designer a box of candy because she liked her new machine so much."

It seems clear that in a great many cases, automation has many advantages to offer to the workingman. These include easier work physically and mentally, more interesting work through a variety of job activities, higher pay in many cases, greater continuity of employment, a safer job, opportunity to learn more of the total process and machinery, and experience that may be increasingly valuable as time goes on. The importance of explaining the expected impact of automation, the new duties which employees must perform, and the changes in general routine and management cannot, therefore, be overestimated. Many cases of disappointment in the introduction of automatic machinery can be traced directly to this lack of adequate preparation. It is gratifying to know that by and large the unions of this country have welcomed the introduction of automatic machinery and electronic equipment. They have recognized the advantages of such equipment for the economy as a whole and, in the long run, for workers as well.

Where automation is in effect, many of the old techniques in evaluating labor have of necessity had to be changed. No longer are time and motion studies of the performance of individual workers an appropriate device for increasing production. Individual incentive systems are often pointless. A premium is placed upon imagination and resourcefulness so as to anticipate, minimize, and circumvent costly breakdowns as much as possible.

The impact of automation upon sales policy is another critical consideration for management. It is pretty well exemplified, I think, by the statement of a vice president of one manufacturing firm at the time when automatic equipment was about to be introduced in his firm, when he exclaimed, "The sales department doesn't know what is about to hit them. Every week there are 3,000 more of these things that have to be sold. We must keep this plant going at capacity at least 5 years to get our money back. The sales boys are the ones who are going to feel the difference." This little quotation in itself suggests some of the problems characteristic of a great deal of production with automatic machinery today.

Most successful automatic machinery introduced thus far has relatively little flexibility in its operations. To quote from one expert who has studied the matter carefully: "The highly automatic line generally is successful only because it is carefully engineered to produce a given product. When this product is altered, even in an apparently minor way, production may be severely restricted. It is characteristic of highly automatic lines to lose flexibility with respect to this speed of changeover as well as the kind of production that can be obtained." But quite picturesquely, one production manager stated, "This is a wonderful plant once you get it running right, but it shouldn't be changed and it shouldn't be pushed. You don't want to stop it or to try to slow it down either. Just get it going at its designed speed and leave it alone."

Of course, I do not mean to say that automation cannot be made increasingly flexible. Just the other day, I saw it reported that a new type of electronic automation system designed for the production of missile and aircraft parts in the small quantities required by rapidly changing design was successfully installed in a plant of the Hughes Aircraft Co., in Los Angeles. (Wall Street Journal, Mar. 12, 1958, p. 9.) Undoubtedly more advances in the direction of greater flexibility may be expected with confidence. Thus far, however, it has not been easy to make the adjustments to satisfy rapid changes in demands.

This leads me to consider for a moment the relationship between automation and small business. As I said earlier, automation in many cases has been considered a threat to small business. On the other hand, we can see that in many instances small businesses can retain an adaptability which the large automatic production lines geared to high volume output and fairly constant rates of production cannot hope to match. Automation may well prove thus to be an actual blessing to the small-business man who is fast in his production and sales reactions. When a new product or a new idea comes along, he is in a position to have it on the market before the highly automated plant can even have the changeover plans drawn. When the customer wants modification of a special item or a rush short order, the automated plants may be completely out of the running. More often than not, they can't afford to take that kind of business. This is not to say that there are no opportunities for small-business men to adopt automatic machinery themselves. Automatic production is not beyond certain kinds of small companies or small companies in some industries. In some cases, automation makes it possible to reduce investment, not to increase it. In terms of using electronic data processing equipment, one promising development is the pooling of such equipment with other firms, or using it on a contract basis. The long-run effects of automation on small-business men cannot be foretold. The one thing for sure is that the small-business man will ignore automation at his peril. He must constantly keep in touch with the evolution of mechanization in his field and anticipate how to meet the changes it brings.

You may wonder perhaps why I, as a Member of Congress, am so keenly interested in these management problems of automation. After all, I am not in the field of manufacturing. I don't really understand the electronic principles back of Univac. I would be the last one to try to explain to you how the IBM 706 electronic computer operates. But I think you will appreciate that, vital though these and many other problems of automation are to you in the management field, they are equally and perhaps even more fundamental problems for those of us responsible for legislation safeguarding our economy and providing for the welfare and protection of our people. As a Member of Congress, I am concerned with the possible dangers of further concentration of market power which may well be a result, direct or indirect, of automation. Large firms who can afford to install automatic equipment, obtain a substantial advantage over many small competitors and strengthen their bargaining power with labor. No longer do they need to locate automatic production plants near large centers of population, since automatic equipment requires little direct labor. If a corporation decides to move to a lower cost location and locate its automatic plant there, it may cause acute hardship in the original location. In such a case, it would be reasonable to expect such firms to take some share in bearing the costs of this dislocation. Such costs which it could fairly be expected to bear include moving workers and their families, early retirement under pension plans, increased unemployment pay and retraining programs.

However, under the best of circumstances, a certain burden to local, State, and Federal Government would undoubtedly remain. A greatly expanded employment service would be useful to facilitate mobility and reduce frictional unemployment. Public-works projects in distressed locations would provide jobs which would generate purchasing power to sustain business. The Government will undoubtedly be called upon to take some responsibility not only to prevent pockets of unemployment that result from automation; it also will be expected to help provide the education and training which will be necessary in an age of increasing automation. One of the primary needs of a technology using electronic data processing equipment and fully automatic production lines, is an increasing number of skilled engineers and management leaders. The importance of making decisions that are economically sound, as well as being in the interests of society as a whole, becomes crucial.

The Congress has shown a profound interest in the subject of automation. The Joint Economic Committee has already held hearings in 3 successive years, beginning in 1955, designed to shed greater light on automation and to suggest areas where Government action may be necessary. This interest is bound to be sustained.

Automation is no panacea. It is an experiment in advance production concepts and philosophy. The path is one of trial and error promising for business internal benefits, competitive advantages, and even survival itself. In the face of all the potential troubles with automation, every management must find its own answers. It is here that courage, imagination, hunch, or even gambling instincts may lead the way to incalculable benefits. There is no assurance of success. However, in some companies experience has made their managers considerably sadder and wiser. Some of them regard their original approach to automation with combinations of remorse, amusement, and embarrassment. And yet in general they are pleased with the direction they have taken. They are not, with very few exceptions, returning to their former production techniques.

We all know that automation is here to stay, that it will expand into areas as yet unheard of, that it offers great opportunities for providing increased leisure for our people and a wide variety of goods of high quality and at potentially greatly reduced prices. It is a challenge that you as managers in our Nation's economy must face. You are certainly aware of this challenge. Problems of possible unemployment, workers who have to be retrained, others for

whom pensions or improved retirement benefits will have to be provided, scheduling of production, an entirely new philosophy of sales—all these are your constant companions. Above all we must be sure that automation is here to serve and not to rule us. As one shop steward said: "Automation can be a wonderful thing indeed. But we must not lose sight of the fact that the unautomated divinely created human model T will still most likely be around for some time and that his inner and outer needs cannot long be ignored with impunity." That is, I submit, the essence of the challenge of automation.

SENATE

WEDNESDAY, APRIL 2, 1958

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

Our Father, God, in this holy week of the Passion, by a crude cross lifted up on the earth, that blossomed into victory, help us to realize anew, from that invincible symbol, that Thy purposes are beyond defeat. In the light of that cross, may we see that Thy purposes of redemption are as wide as mankind. Forbid that in cushioned ease we should greedily grasp a full chalice of plenty while multitudes of our fellows, sharing this planet with us, hold in their enfeebled hands a cup of anguish. Suffer us not complacently to satisfy the pangs of our hunger oblivious to uncounted millions whose prayers for daily bread Thou canst answer only through our response. May we gladly accept even the Calvary of sacrifice, that through our self-denial salvation may come to those whose very life is our trust. We ask it in the name of the One who despised the shame and endured the cross. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 1, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

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 April 1, 1958, the President had approved and signed the act (S. 3418) to stimulate residential construction.

EXPLORATION OF OUTER SPACE—MESSAGE FROM THE PRESIDENT (H. DOC NO. 365)

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States. The message having been read in the House of Representatives, the reading of the message will be dispensed with, and the message will be referred to the Special Committee on Space and Astronautics.

(For President's message, see House proceedings of today's RECORD.)

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 and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 1313. An act for the relief of Berta Reitberger;

H. R. 2076. An act for the relief of M. E. Boales;

H. R. 2093. An act for the relief of Alfonso Giangrande;

H. R. 2635. An act for the relief of William Winter and Mrs. Regina Winter;

H. R. 2966. An act for the relief of Harry F. Lindall;

H. R. 5976. An act for the relief of Chester Tomasi;

H. R. 6932. An act for the relief of the estate of W. C. Yarbrough;

H. R. 6963. An act for the relief of Mrs. Elba Haverstick Cash;

H. R. 7733. An act for the relief of Arnie M. Sanders;

H. R. 7746. An act for the relief of Elmer L. Conrad and others;

H. R. 7917. An act for the relief of Ernst Haeusserman;

H. R. 8039. An act for the relief of Edward L. Munroe;

H. R. 8839. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Lt. Col. Edward G. Breen for disability retirement as a Reserve officer or Army of the United States officer under the provisions of the act of April 3, 1939, as amended;

H. R. 9397. An act for the relief of William T. Manning Co., Inc., of Fall River, Mass.;

H. R. 9775. An act for the relief of William J. McGarry;

H. R. 9885. An act for the relief of Frank A. Gyescek;

H. R. 10260. An act for the relief of Natale H. Bellocchi and Oscar R. Edmondson;

H. R. 11203. An act for the relief of the State House, Inc.;

H. R. 11767. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes;

H. J. Res. 551. Joint resolution for the relief of certain aliens; and

H. J. Res. 577. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

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. 1562. An act for the relief of Winifred C. Lydick;

S. 1877. An act for the relief of Louis G. Whitcomb; and

S. 2132. An act for the relief of Leonard C. Fink.

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. 1313. An act for the relief of Berta Reitberger;

H. R. 2076. An act for the relief of M. E. Boales;

H. R. 2093. An act for the relief of Alfonso Giangrande;

H. R. 2635. An act for the relief of William Winter and Mrs. Regina Winter;

H. R. 2966. An act for the relief of Harry F. Lindall;

H. R. 5976. An act for the relief of Chester Tomasi;

H. R. 6932. An act for the relief of the estate of W. C. Yarbrough;

H. R. 6963. An act for the relief of Mrs. Elba Haverstick Cash;

H. R. 7733. An act for the relief of Arnie M. Sanders;

H. R. 7746. An act for the relief of Elmer L. Conrad and others;

H. R. 7917. An act for the relief of Ernst Haeusserman;

H. R. 8039. An act for the relief of Edward L. Munroe;

H. R. 8839. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Lt. Col. Edward G. Breen for disability retirement as a Reserve officer or Army of the United States officer under the provisions of the act of April 3, 1939, as amended;

H. R. 9397. An act for the relief of William T. Manning Co., Inc., of Fall River, Mass.;

H. R. 9775. An act for the relief of William J. McGarry;

H. R. 9885. An act for the relief of Frank A. Gyescek;

H. R. 10260. An act for the relief of Natale H. Bellocchi and Oscar R. Edmondson;

H. R. 11203. An act for the relief of the State House, Inc.;

H. J. Res. 551. Joint resolution for the relief of certain aliens; and

H. J. Res. 577. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

H. R. 11767. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes; to the Committee on Appropriations.

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.

EXECUTIVE COMMUNICATIONS, ETC.

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

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO PROMOTION AND RETIREMENT OF CERTAIN OFFICERS OF THE ARMED FORCES

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to revise certain provisions relating to the promotion and involuntary retirement of officers of the regular components of the Armed Forces (with accompanying papers); to the Committee on Armed Services.