that talk about defacement and vandalism, we wouldn't have had any place to work on the Hill.

Mr. SEVAREID. Well, my brief reading of history teaches me that SAM RAYBURN, of Texas, usually gets what he wants on this Capitol Hill. I suspect, Mr. Speaker, the east front will be changed. I want to thank you very much for taking this time on this anniversary program for Capitol Cloak Room. We are all highly honored. Thank you.

Mr. RAYBURN. Thank you.

Pan-American Day

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, April 14, 1958

Mr. MULTER. Mr. Speaker, April 14 marks the 68th anniversary of the inter-American system. We have come to look upon 68 years, about the lifetime of a man, as a short span in the sweep of history. But as international organizations go, more than two-thirds of a century is indeed an existence record.

Our Western Hemisphere organization has much more to recommend it besides longevity. As we observe the havoc wreaked in other regions of the world by hostilities, prejudices and envy, we must rejoice at the effectiveness of our own unique system of international living. However, the contrast between the peace and cooperation which prevails on the inter-American scene with the antagonisms and rivalries in other parts of the world is by no means an inherent situation. American nations are subject to the same national ambitions and temptations that exist elsewhere on the globe. The occasional bloody outbursts in the past between sister republics in the Western Hemisphere prove that we do not enjoy some special immunity from mankind's failings.

With this in mind, the achievements of the Organization of American States in preserving peace and promoting the well-being of the hemisphere's inhabitants come into sharper focus. The fact of 21 countries, weak and strong alike, meeting as sovereign equals to iron out their differences and to cooperate for mutual benefits is an amazing innovation in international affairs. The willingness of the member States to permit OAS intervention to settle disputes peaceably is a most gratifying international development.

The anniversary of the Organization of American States is a time to recall with pardonable pride the unusual accomplishments of our inter-American regional system. It is a time for thankfulness that we in the New World have achieved a degree of international maturity not vouchsafed to more turbulent regions of the world. Above all, it is a time for rededication to Pan-American ideals and goals so that our remarkable regional organization may continue to flourish.

Carlton Cadettes Visit Washington

EXTENSION OF REMARKS
OF
HON. ALBERT THOMAS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Monday, April 14, 1958

Mr. THOMAS. Mr. Speaker, during the Easter recess it was my pleasure to entertain in Washington the senior members of the Carlton Cadettes of the Jefferson Davis High School, of Houston.

Forty-one members of this excellent marching group spent 4 days in Washington. It was my great honor to welcome them, and to manage a visit around the Capitol.

The young ladies also visited Mount Vernon, the Library of Congress, the Supreme Court, the Bureau of Engraving, the Federal Bureau of Investigation, and other places of historical interest in this area.

They were accompanied by two capable and charming sponsors, Mrs. Lorraine Nix and Miss Frances Newton.

Mr. Speaker, the growing practice of school groups throughout the country visiting the Nation's Capital is a wonderful thing. A visit to Washington gives to these young people a deeper appreciation of our Government and what it means to every citizen. The great buildings and monuments here are more than stone and mortar. They are living symbols of our great Government. I wish every school group in the country could have an opportunity of visiting Washington.

The young ladies who were a part of the Carlton Cadettes visiting Washington were: Mary Helen Adame, Michelle Beere, Elaine Blum, Sandra Bond, Vivian Brewer, Diane Camp, Edith Collings, Beverly Cox, Judy Dawson, Barbara Foster, Jo Ann Francis, Peggy Frantis, Jerri Glodfelty, Jane Hight, Sylvia Holder, Lee Ann Jett, Janet Kasper, Sandra Kreinop, LaJuan Krus, Sally McClung, Barbara McKeehan, Sharon Merchant, Nita Monkres, Betty Montgomery, Kay Moseley, Liz Nias, Carol Pettigrew, Joyce Robinson, Mary Ann Sands, Carol Schroder, Mignon Seymour, Simone Simon, Pat Smith, Wanda Speer, Barbara Spencer, Patsy Stewart, Lynn Taylor, Nancie Truss, Joy Walkinshaw, Ann Wilkerson, Margie Zarco.

SENATE

TUESDAY, APRIL 15, 1958

Rev. K. K. Haddaway, D. D., minister, Wesley Methodist Church, Washington, D. C., offered the following prayer:

Infinite Father of us all, we would bow humbly before Thee on this, another day. We do not know what the day has in store for us; but we know great problems confront us, and we pray for divine guidance in everything that we shall do. Grant unto us clear minds and moral reasoning, an assuring faith, and a resolute will. May we be true to exact knowledge and to verified facts. But, beyond the material things of life, may our souls be conscious of Thy presence and the fuller revelation. We believe that all things are of Thee: All truth, all understanding, all love, all solutions to problems. And we pray that with open minds and hearts we may follow Thee, even as one who gave His life for us.

We thank Thee for our beloved land, for our endeared Republic, and for this governing body. Grant unto every Member of this body and to all the other citizens of our great country an unshaken belief in Thee and an unswerving devotion to Thee and to all things divinely beautiful and true and good. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, April 14, 1958, was dispensed with.

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. 1841. An act to authorize the District of Columbia Board of Education to employ retired teachers as substitute teachers in the public schools of the District of Columbia;

S. 1843. An act to amend the act entitled "An act to create a Recreation Board for the District of Columbia, to define its duties, and for other purposes," approved April 29, 1942;

S. 2725. An act to exempt from taxation certain property of the National Council of Negro Women, Inc., in the District of Columbia; and

S. 3243. An act to permit certain foreign students to attend the District of Columbia Teachers College on the same basis as a resident of the District of Columbia.

The message also announced that the House had passed the bill (S. 1708) to amend the act entitled "An act relating to children born out of wedlock," approved January 11, 1951, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H. R. 7452) to provide for the designation of holidays for the officers and employees of the government of the District of Columbia for pay and leave purposes, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 7452) to provide for the designation of holidays for the officers and employees of the government of the District of Columbia for pay and leave purposes, and for other purposes,

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

was read twice by its title and referred to the Committee on the District of Columbia.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements made in connection therewith be limited to 3 minutes.

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

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Mundt
Allott	Hennings	Murray
Anderson	Hickenlooper	Neuberger
Barrett	Hill	O'Mahoney
Bible	Hoblitzell	Pastore
Bricker	Holland	Payne
Bridges	Hruska	Potter
Bush	Humphrey	Proxmire
Byrd	Ives	Purtell
Carlson	Jackson	Revercomb
Carroll	Javits	Robertson
Case, N. J.	Jenner	Russell
Case, S. Dak.	Johnson, Tex.	Saltonstall
Church	Johnston, S. C.	Schoeppel
Clark	Kefauver	Smathers
Cooper	Kennedy	Smith, Maine
Cotton	Kerr	Smith, N. J.
Curtis	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Symington
Dworshak	Lausche	Talmadge
Eastland	Mansfield	Thurmond
Ellender	Martin, Iowa	Thye
Ervin	Martin, Pa.	Watkins
Flanders	McClellan	Wiley
Fulbright	McNamara	Williams
Goldwater	Monroney	Yarborough
Gore	Morse	Young
Green	Morton	

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Louisiana [Mr. LONG], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from North Carolina [Mr. SCOTT] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL] is necessarily absent.

The Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from Indiana [Mr. CAPEHART] is absent because of illness.

The VICE PRESIDENT. A quorum is present. Morning business is in order.

EXECUTIVE COMMUNICATIONS, ETC.

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

PROPOSED AMENDMENT TO THE BUDGET, 1959, FOR FEDERAL CIVIL DEFENSE ADMINISTRATION (S. DOC. NO. 89)

A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1959, in the amount of $2,915,000, for the Federal Civil Defense Administration (with the accompanying paper); to the Committee on Appropriations, and ordered to be printed.

REPORT ON AGRICULTURAL AGREEMENTS WITH ITALY AND COLOMBIA

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, Washington, D. C., transmitting, pursuant to law, a report on agricultural agreements entered into with the Governments of Italy and Colombia, during the month of March 1958 (with accompanying papers); to the Committee on Agriculture and Forestry.

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO SALE OF CERTAIN CLOTHING AND TEXTILE MATERIAL

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize the sale of military clothing and textile material to contractors for use in the performance of United States contracts (with an accompanying paper); to the Committee on Armed Services.

REPORT OF BOARD OF VISITORS TO UNITED STATES NAVAL ACADEMY

A letter from the Chairman of the Board of Visitors, United States Naval Academy, Annapolis, Md., transmitting, pursuant to law, a report of that Board, for the year 1958 (with an accompanying report); to the Committee on Armed Services.

DISCONTINUANCE OF CERTAIN REPORTS

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to discontinue certain reports now required by law (with an accompanying paper); to the Committee on Government Operations.

AUDIT REPORT ON FEDERAL HOME LOAN BANK BOARD

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Home Loan Bank Board, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

REPORTS PRIOR TO RESTORATION OF BALANCES

A letter from the Engineer Comptroller, Corps of Engineers, Department of the Army, transmitting, pursuant to law, a report of that Department on the restoration of funds, as of February 28, 1958 (with an accompanying report); to the Committee on Government Operations.

A letter from the Assistant Attorney General, transmitting, pursuant to law, a report covering restoration of balances withdrawn from appropriation and fund accounts in the Department of Justice, as of February 28, 1958 (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949, RELATING TO INTERCHANGE OF INSPECTION SERVICES

A letter from the Aministrator, General Services Administration, Washington, D. C., transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds (with an accompanying paper); to the Committee on Government Operations.

PROPOSED CONCESSION CONTRACT, HOT SPRINGS NATIONAL PARK, ARK.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract in Hot Springs National Park, Ark. (with accompanying papers); to the Committee on Interior and Insular Affairs.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT, RELATING TO SUSPENSION OF DEPORTATION

A letter from the Attorney General, transmitting a draft of proposed legislation to amend section 244 (a) (1) of the Immigration and Nationality Act relating to applications for suspension of deportation (with an accompanying paper); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

TEACHING HOSPITAL FOR HOWARD UNIVERSITY

A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

DISPOSITION OF EXECUTIVE PAPERS

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

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

PETITIONS AND MEMORIALS

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

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of California; to the Committee on Agriculture and Forestry:

"Senate Joint Resolution 16

"Joint resolution relative to an extension of Public Law 78

"Whereas California leads the Nation in the number and value of its commercial crops; and

"Whereas many of these crops are highly specialized and have a short and critical harvesting period; and

"Whereas large numbers of farm workers are needed to handle, cultivate, and harvest these crops; and

"Whereas there are at times insufficient domestic farm workers in certain areas of California to perform these functions; and

"Whereas Mexican national farm laborers, admitted to this State under the provisions of Public Law 78 of the 82d Congress, have met California emergency farm labor needs, thereby preventing losses to the State's basic industry and segments of the State's economy associated therewith: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly,* That the Leg-

islature of the State of California respectfully memorializes the Congress of the United States to extend Public Law 78; 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, and to each Senator and Representative from California in the Congress of the United States."

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

"Senate Joint Resolution No. 22

"Joint resolution relative to the University of California band

"Whereas the University of California marching band has recently been honored to receive an invitation from the State Department to represent the United States at the World's Fair in Brussels, Belgium, this summer; and

"Whereas the band, famous for its precision marching as well as musical ability, has received final approval for the trip from the board of regents of the university; and

"Whereas a campaign is now in progress to raise money for the tour since the band must finance its own way; and

"Whereas the members of the group will leave San Francisco on June 17, and during their 3-week stay in Europe will present several music and marching performances in major cities: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to appropriate funds sufficient to pay the expenses of the University of California marching band on its forthcoming trip to Europe, or to pay the difference between the cost of the trip and the amount of funds received from voluntary donations; and be it further

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

"Assembly Joint Resolution 3

"Joint resolution relative to the University of California Band

"Whereas the University of California marching band has accepted an invitation to represent the United States at the forthcoming world's fair in Brussels, Belgium; and

"Whereas this 120-piece band under the able leadership of its director, Mr. James Berdahl, has become one of the leading collegiate groups of its kind in this country; and

"Whereas a drive is now being conducted for voluntary donations to defray the expenses of the trip; and

"Whereas the purpose of the band's performance at the fair is to create good will for the United States, and the members will make every effort to put on a show that will be worthy of their reputation: 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 Congress of the United States to appropriate funds sufficient to pay the expenses of the University of California marching band on its forthcoming trip to Europe, or to pay the difference between the cost of the trip and the amount of funds received from voluntary donations; 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 in the Congress of the United States."

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

"Senate Joint Resolution 19

"Joint resolution relative to the repeal of the transportation excise taxes

"Whereas an economic recession in certain major industrial areas is causing a substantial reduction in the use of the Nation's common carrier transport system; and

"Whereas this falling off is causing serious repercussions in all industry allied with or dependent upon the for-hire transportation industry; and

"Whereas in 1941 and 1942, as a wartime expediency, the Congress of the United States enacted as excise taxes a levy upon the transportation of persons and property; and

"Whereas one of the principal purposes of levying such tax upon the transportation of persons was to discourage unnecessary wartime travel; and

"Whereas today, 13 years after the cessation of hostilities, there continues a 10-percent levy on the transportation of persons and a 3-percent levy on the transportation of property; and

"Whereas it is the opinion of the Legislature of the State of California that excise taxes should not impose an unfair burden on the long-distance shipper and the long-distance traveler as does the present tax on the transportation of property and persons; and

"Whereas it should be a principle of Federal taxation to levy taxes in such a manner as to prevent them from falling as an unequal burden on citizens residing in different areas of the country; and

"Whereas the distances to, from, and within the West impose an unfair burden on the western traveler and shipper; and

"Whereas the present transportation tax on property is unfairly burdensome upon the State of California as it adds what is in effect an additional tariff on the goods shipped from California to the eastern markets; and

"Whereas the development and preservation of open markets leads to the efficient development and stimulation of the agricultural resources of the Nation; and

"Whereas the State of California is particularly interested in preserving the eastern market as an open market in which the agricultural products of California may compete freely without hindrance of artificial barriers such as the present transportation tax; and

"Whereas the State of California is particularly interested in protecting and developing its vacation and tourist travel on an equal basis with other vacation travel areas; and

"Whereas the transportation of both persons and property plays such a vital role in the economic life of this country to the extent that the costs of transportation should always be kept at the lowest possible level; and

"Whereas transportation is in no sense a luxury but is a vital necessity and there is, therefore, sound reason for distinguishing between the transportation taxes and other excise taxes that are imposed upon luxury items; and

"Whereas it is the opinion of the Legislature of the State of California that the best interest of the country and particularly the Western States, who are now discriminated against by the present transportation taxes, would be served by a repeal of those taxes; and

"Whereas the testimony of rail, truck, and airline presidents and other top transportation executives and experts presented before the United States Senate Subcommittee on Surface Transportation during the 2d session of the 85th Congress emphasized the need for immediate repeal of the transportation excise taxes; and

"Whereas it appears in the CONGRESSIONAL RECORD that 14 members of the Senate Committee on Interstate and Foreign Commerce assert that the immediate repeal of these taxes would be a tremendous stimulus to the currently depressed economy; and

"Whereas there is presently pending before the Congress of the United States legislation which would repeal the tax on transportation of property and which would repeal the tax on transportation of persons: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the California Members of the Congress of the United States to urge upon the Speaker of the House, the chairman of the House Committee on Ways and Means, and the chairman of the Senate Finance Committee the immediate need to enact into law such legislation or any other bill or bills which would accomplish the same purpose; 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, and to each Senator and Representative from California in the Congress of the United States."

"Assembly Joint Resolution 4

"Joint resolution relating to memorializing the Congress of the United States to enact legislation to extend the unemployment insurance benefit period, increase the benefit amounts, and make other necessary changes in the law to increase the effectiveness of the unemployment insurance program

"Whereas the economy of the Nation is currently undergoing an economic readjustment which has resulted in an increase in unemployment among the Nation's working population; and

"Whereas the unemployment insurance program was originally conceived as a means of alleviating the hardship of those who are temporarily unemployed; and

"Whereas in the present economic situation this 26-week benefit period is resulting in the exhaustion of benefit entitlement for an increasing number of workers at a time when it is important to maintain purchasing power and production of high levels; and

"Whereas the President of the United States, in a special message issued on March 25, 1958, has recommended that Congress enact legislation to extend the unemployment insurance benefit period and thus provide additional benefit amounts through Federal assistance; and

"Whereas legislation has been introduced in the 85th Congress by a number of distinguished Members thereof to this same end: 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 Congress of the United States to enact legislation to provide emergency benefits to supplement unemployment insurance benefits substantially beyond the present 26-week benefit period, such supplemental benefits to be financed by a grant of Federal funds; and be it further

"Resolved, That the chief clerk of the assembly is directed to send suitably prepared copies of this resolution to the President and Vice President of the United States, and to each Member of the Congress of the United States representing the State of California."

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

"Senate Joint Resolution 18

"Joint resolution relative to revival of the gold mining industry of California

"Whereas the gold mining industry for many years was one of the major bulwarks of California's economy, as well as a major contributor to the Nation's solvency in times of economic crisis; and

"Whereas the gold is still there in the hills, but the mines are shut down because gold mining is the only industry in the Nation compelled to sell its product at a price set many years ago by the Federal Government and which has been rigidly maintained since then without regard to rising costs; and

"Whereas this discrimination against the gold mining industry is justified neither morally nor by financial need of the Federal Government; and

"Whereas this policy has resulted in economic disaster to many of the mountain areas of California with the consequent loss of thousands of jobs; and

"Whereas these mountain areas have few other resources apart from gold and minerals found in association with gold; and

"Whereas if the gold mining industry were permitted to sell its product in a free market, such as prevails elsewhere in the Free World where gold is mined, the industry would be revived immediately so that it would provide thousands of jobs for those now unemployed; and

"Whereas this result can be achieved without cost to the taxpayers of 1 cent in contrast to the many programs being offered and discussed in Washington which involve bureaucratic red tape and huge appropriations: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California hereby strongly urges the President and the Congress of the United States to allow a free market for gold, so that an important segment of our economy can be restored to vigor with the consequent creation of thousands of jobs to alleviate unemployment; 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, 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 Rules and Administration:

"Senate Joint Resolution 13

"Joint resolution relative to proposed changes in the National Anthem

"Whereas the Honorable JOEL BROYHILL, Representative in Congress from the State of Virginia, has introduced House Resolution 17 into the House of Representatives; and

"Whereas said resolution proposes changes in the wording of our National Anthem from the historic words penned by the immortal American patriot, Francis Scott Key, while a prisoner on board the invading fleet during its nightlong attack on the American forts where our flag was gallantly flying; and

"Whereas the resolution proposes to omit the third stanza entirely and to insert in the second stanza the words, 'As it fitfully blows, half conceals, half discloses?' in place of the more definite historic words, 'As it fitfully blows, now conceals, now discloses?'; and

"Whereas the resolution proposes to change the line in the last stanza, 'Praise the Power that hath made and preserved us a nation.' by spelling 'power' with a small 'p' thereby eliminating the reference to deity and leaving only a reference to earthly matters, clearly atheistic and contrary to the historic intent of the author and the accepted belief of our Nation; and

"Whereas the resolution proposes to omit the name of Francis Scott Key as author from the official version; and

"Whereas certain organizations have proposed that the proper name of our flag, the Star-Spangled Banner, be spelled without capital letters in the official version: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the members of the California Legislature oppose the said House Resolution 17 and ask that it not be passed; and be it further

"Resolved, That the Congress of the United States is requested to preserve without change the historic words of our National Anthem born in the uncertainty of battle for our freedom; and be it further

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

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

"Senate Resolution 21

"Resolution relative to the case of the United States against Fallbrook Public Utility District and others

"Whereas the Legislature of the State of California in Assembly Joint Resolution No. 8 (resolutions ch. 23) of the 1952 regular session, denounced the action brought by the United States on the 25th day of January 1951, by the Attorney General of the United States acting at the request of the Secretary of the Navy against the Fallbrook Public Utility District and numerous other defendants who owned lands in San Diego and Riverside Counties situated within the watershed of the Santa Margarita River as an unwarranted and unnecessary threat to the water laws of the State of California and the water rights of its citizens; and

"Whereas this suit which has been active in the United States courts for 7 years and involves some 6,000 landowners in Riverside and San Diego Counties for the most part representing families which have used this water for two or more generations on their land; and

"Whereas the United States Government by this action has not been able to accomplish a thing to date except the spending of approximately $1 million of taxpayer funds and to cost the peaceable landowners a similar amount to defend their rights; and

"Whereas the Metropolitan Water District offered the Government a firm contract to sell them water on the same type of contract under which March Air Force Base and El Toro Marine Base both receive Colorado River water; and

"Whereas this would be a cheaper source of water considering that the cost of this suit has only begun and estimates appear reasonable that it may take 20 years to adjudicate the claims of the thousands of individual landowners; and

"Whereas the United States Department of Justice has served a supplementary and amended complaint which will bring into this suit issues involving serious questions of Federal recognition of State water right laws under State licenses and permits of long standing; and

"Whereas the Government is even proceeding against such small interests as licenses issued for the taking of 640 gallons per day for domestic use from an unnamed spring in the Cleveland Nation Forest and the taking of 400 gallons a day for domestic use from an unnamed spring, which licenses were both issued more than 20 years ago: Now, therefore, be it

"Resolved by the Senate of the State of California, That this pending Federal suit to seize water rights in California under the guise of national defense and in contravention of longstanding rights to water acquired under the laws of this State is most deplorable and is a doctrine which if carried on under a precedent established here would jeopardize all private property rights in the United States; and be it further

"Resolved, That the United States is urged to take advantage of the opportunity to obtain Colorado River water, via the second unit of the San Diego aqueduct, for Camp Pendleton; and be it further

"Resolved, That Congress is urged to enact, at the earliest possible date, legislation which will confirm an agreed apportionment of the waters of the Santa Margarita River between local citizens and the military establishments of the United States and which will forbid future suits of this nature by the Federal Government in disregard of State law and will require all agencies of the Federal Government to recognize State laws pertaining to water rights; and be it further

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

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Armed Services:

"Resolutions memorializing the Congress of the United States to provide forthwith for the allocation of funds for the construction of armories or related facilities

"Whereas by Public Law 783 of the 81st Congress there was established a program whereby the Federal Government would contribute approximately 75 percent of construction within the States for military purposes; and

"Whereas Public Law 302 of the 84th Congress extended this program of assistance to the States in their armory construction to a period of 8 years from 1951; and

"Whereas Congress has already authorized construction of 8 armories or related facilities for the Commonwealth of Massachusetts, but the allocation of the funds by the Defense or Budget Bureau has been made for only 3 of the 8 projects; and

"Whereas the delay in the allocation of the funds after authorization by Congress has resulted in serious delay, inconvenience and loss to the Commonwealth of Massachusetts: Therefore be it

"Resolved, That the General Court of Massachusetts respectfully urges Congress to enact legislation which will eliminate the delay on the part of the Budget Bureau and Department of Defense in allocating the funds authorized by Congress for the construction of armories or related facilities; and be it further

"Resolved, That the secretary of the commonwealth transmit forthwith copies of these resolutions to the presiding officer of each branch of Congress and to each Member thereof from this commonwealth."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Resolutions memorializing the Congress of the United States to enact appropriate legislation granting financial assistance to States for research and training programs combating juvenile delinquency

"Whereas the problems of juvenile delinquency are national in scope; and

"Whereas the cost of research and training programs to combat juvenile delinquency exceeds the financial resources of the local communities and States: Therefore be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation granting financial assistance to States and local communities to enable them to carry on research and training programs to combat juvenile delinquency; and be it further

"Resolved, That the secretary of the commonwealth transmit forthwith copies of these resolutions to the presiding officer of each branch of Congress and to the Members thereof from this Commonwealth."

A resolution adopted by the board of supervisors of the city and county of San Francisco, Calif., relating to the expenses of the University of California marching band to represent the United States at the Brussels World's Fair; to the Committee on Appropriations.

A resolution adopted by the chamber of commerce of Millington, Tenn., relating to the imposition of government controls; to the Committee on Banking and Currency.

A letter, in the nature of a petition, from George Schuller & Co., of Pleasantville, N. Y., favoring the repeal of the excise tax on jewelry; to the Committee on Finance.

A letter from the Governor of Alaska, Juneau, Alaska, favoring an extension of the Federal-Aid Airports Act; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the board of supervisors of the county of Kauai, T. H., favoring the enactment of legislation to establish an interisland ferry service in Hawaii; to the Committee on Interstate and Foreign Commerce.

A letter in the nature of a petition, from the United Christian Missionary Society of Indianapolis, Ind., signed by Robert A. Fangmeier, national director, Christian citizenship, relating to the return of Japanese and German confiscated property; to the Committee on the Judiciary.

A letter, in the nature of a petition, from the Church of Jesus Christ New Jerusalem, of Manila, P. I., signed by Josue B. Pineda, minister in charge, enclosing a petition for redress of grievances (with an accompanying paper); to the Committee on the Judiciary.

A resolution adopted by the board of directors of the chamber of commerce, of Millington, Tenn., protesting against any and all amendments to the Fair Labor Standards Act; to the Committee on Labor and Public Welfare.

A resolution adopted by the South Dakota Department of Game, Fish, and Parks, Pierre, S. Dak., protesting against the enactment of Senate Bill 3231, providing for a new Federal public works program; to the Committee on Public Works.

A resolution adopted by the chamber of commerce of Millington, Tenn., protesting against the enactment of Senate Bill 3231, to establish a Public Works Administration; to the Committee on Public Works.

RESOLUTION OF ASSOCIATION OF COUNTY WELFARE EXECUTIVES, MINNESOTA

Mr. THYE. Mr. President, I present a resolution adopted by the Minnesota Association of County Welfare Executives, favoring the enactment of legislation providing for the availability of Federal funds for a general assistance program. I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

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

ASSOCIATION OF COUNTY WELFARE EXECUTIVES,
State of Minnesota, April 10, 1958.

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

DEAR SIR: At the annual meeting of the Minnesota Association of County Welfare Executives held on March 24, 1958, the following resolution was adopted and is being submitted to the Minnesota Congressional delegation for positive consideration:

"Whereas the current economic situation in the United States with mounting unemployment problems is being felt in Minnesota by a rising increase in the costs for general assistance that the county welfare boards are finding necessary to issue to needy persons; and

"Whereas consideration is being given by the Federal Congress to provide Federal financial participation for the general assistance program; and

"Whereas Federal funds for the general assistance program have long been indicated; and

"Whereas it now appears urgent that such funds be made available to the States if needless suffering is to be avoided because of present economic conditions: Therefore be it

"Resolved, That the Association of County Welfare Executives of the State of Minnesota urge the Congressional delegation to support or sponsor Federal legislation to the end that Federal funds are made available to the States for the general assistance program."

Very truly yours,
WALLACE J. WALTER,
Association Secretary.

RESOLUTION OF VILLAGE COUNCIL OF WINTON, MINN.

Mr. THYE. Mr. President, I present for appropriate reference, a resolution adopted by the Village Council of the Village of Winton, Minn., favoring the enactment of legislation to provide increased funds for sewage projects.

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

WINTON, MINN., *April 10, 1958.*

Senator EDWARD J. THYE,
Senate Office Building,
Washington, D. C.

DEAR SIR: By the order of the Village Council of the Village of Winton, I enclose a copy of the resolution adopted by said council at their regular meeting on April 7, 1958:

"Whereas many communities in our State including ours, are in serious need of sewage disposal works; and

"Whereas our unemployed are increasing in numbers, instead of decreasing; and

"Whereas such projects would not only help to improve the health problem existing at present in our community, and many others, but would also create employment so dearly needed: Now, therefore, be it

"Resolved, That we the Village Council of the Village of Winton, Minn., meeting this 7th day of April 1958, go on record urging Congress and Senate to appropriate an increased amount of funds for such sewage projects."

VILLAGE COUNCIL,
VILLAGE OF WINTON, MINN.
ARTHUR J. JOHNSON, *Mayor.*
EVELYN PELKOLA, *Clerk.*

RESOLUTION OF CITY COUNCIL OF INTERNATIONAL FALLS, MINN.

Mr. THYE. Mr. President, I present, for appropriate reference, a resolution adopted by the City Council of the City of International Falls, Minn., relating to the construction of an international bridge connecting International Falls, Minn., and Fort Frances, Ontario, Canada. I ask unanimous consent that the resolution may be printed in the RECORD.

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

CITY OF INTERNATIONAL FALLS, MINN.,
April 8, 1958.

Hon. EDWARD J. THYE,
United States Senate,
Washington, D. C.

DEAR SENATOR THYE: The following resolution was unanimously adopted by the International Falls City Council at their regular meeting March 31, 1958:

"Whereas there has been and presently exists a continuing need for an international bridge connecting International Falls, Minn., and Fort Frances, Ontario, Canada, in order to properly facilitate and move the ever-increasing vehicular and pedestrian traffic between the two countries; and

"Whereas the DFL international bridge committee was formally appointed in April 1956 to study the feasibility to construct a toll-free bridge between the aforementioned cities and said committee has since received tremendous support and approval from the area citizenry and said committee has been expanded and is now known as the international bridge committee: Now, therefore, be it

"Resolved, That the City Council of the City of International Falls, Minn., does hereby endorse and approve the proposal to construct a toll-free bridge and that Governor Freeman, Senators Humphrey and Thye, Congressman Blatnik, and Minnesota Highway Commissioner L. P. Zimmerman be informed of this action and be urged to lend their full support in obtaining approval of said project; be it further

"Resolved, That the international bridge committee, duly appointed by the city council be and they hereby are individually and collectively commended for their past efforts in support of this proposed construction of a toll-free bridge, and are urged to continue their fine work in the future."

It is hoped that you will do your utmost to expedite Federal authorization so that a new toll-free bridge can be constructed between the Falls and Fort Frances.

An international bridge committee has been appointed by the city council. This committee consisting of 16 members from the area and a like committee is functioning from the Canadian side. The reception has been most enthusiastic and we urge you to do all in your power on the Federal level to facilitate this project.

Yours very truly,
VERNON L. PETERSON,
City Clerk.

LETTER FROM COLORADO ASSOCIATION OF WHEAT GROWERS

Mr. THYE. Mr. President, I have received a letter from the Colorado Association of Wheat Growers, favoring the overriding of the President's veto of the farm price freeze bill. I present the letter for appropriate reference, and ask unanimous consent that it be printed in the RECORD.

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

COLORADO ASSOCIATION OF WHEAT GROWERS,
April 11, 1958.

Hon. EDWARD J. THYE,
United States Senator from Minnesota, Senate Office Building, Washington, D. C.

SIR: It is our understanding that the farm price freeze bill, which the President recently vetoed, will be reconsidered by the Senate during the week of April 14, 1958.

We should like to point out the following facts with reference to this bill:

1. If the veto stands, the loss of income to wheat farmers in the United States will amount to approximately $200 million. The loss to Colorado wheat farmers will be approximately $10 million. These figures are based on the present United States Department of Agriculture estimate of the 1958 wheat crop. This loss in income will come at a time when Congress and the people are fighting a recession.

2. The cost of bread to the consumer will not be reduced by a decline of 20 cents per bushel in the price of wheat. It requires a change of 70 cents per bushel to warrant a change in the price of bread by 1 cent a loaf. Because of this, the 20-cent drop in price will be completely absorbed by the middleman. The farmer will lose the income, and the consumer will still pay the same price for his bread.

Considering the above facts, we earnestly solicit your support in a vote to override the veto of the above bill.

Respectfully,

GEORGE BRINKEMA,
Secretary.

RESOLUTION OF ST. PAUL (MINN.) AFL–CIO TRADES AND LABOR ASSEMBLY

Mr. THYE. Mr. President, I present a resolution adopted by the AFL–CIO Trades and Labor Assembly, of St. Paul, Minn., relating to the filling of certain positions in the postal service. I ask unanimous consent that the resolution be printed in the RECORD.

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

Whereas during recent years the Postal Inspection Service has expanded its operations into the field of management of post offices; and

Whereas a law enforcement body of this type, by its very nature of operations, is incompatible with the modern concept of an employee-management relationship; and

Whereas the use of the inspection service to usurp functions and responsibilities of local postmasters has in many instances reduced the postmaster to the position of impotent figurehead; and

Whereas employee morale and production is adversely affected when employees must work under the domination of those who so frequently act in the capacity of detective, judge and jury; and

Whereas employee morale and production is adversely affected when employees must work under the domination of those who so frequently act in the capacity of detective, judge and jury; and

Whereas a subcommittee of the House Post Office and Civil Service Committee some time ago recommended that the inspection service be restricted to their traditional function of safeguarding the mail, preventing frauds, etc.; and

Whereas the Minneapolis region, which consists of North Dakota, South Dakota, Minnesota, Wisconsin, and a part of Michigan, has a vacancy in the position of regional director which is the top job of management in this region, and does not have Senate confirmation even though the post is over postmasters who need Senate approval, and

Whereas in the best interest of the postal service, this position should be filled by someone who can promote and recognizes the value of good personnel relations: Now, therefore, be it

Resolved, That the St. Paul Trades and Labor Assembly go on record as being opposed to the practice of having vacancies in the upper levels of the postal service filled by appointments of postal inspectors to such positions, and favors the practice of filling such positions by qualified individuals from the post office field service, or the business or professional field; and be it further

Resolved, That a copy of this resolution be sent to Senators THYE and HUMPHREY, and our entire Congressional delegation from Minnesota requesting their support in protesting to the Postmaster General the filling of this vacancy with a post office inspector.

WALTER O. NOREEN,
President, Local 65.

RESOLUTION OF COUNTY BOARD OF COOK COUNTY, MINN.

Mr. THYE. Mr. President, I present a resolution adopted by the County Board of Cook County, Minn., at Grand Marais, Minn., favoring a program of construction on the Gunflint Trail in that county. I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

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

RESOLUTION NO. 58–10

Whereas the United States of America is now in the midst of an economic recession to the extent that the Congress of the United States has become greatly concerned; and

Whereas curtailment of steel and wood products manufacture has affected northeastern Minnesota, especially St. Louis, Lake, and Cook Counties, to the extent that a large number of residents are no longer eligible for unemployment compensation: Now, therefore, be it

Resolved, That the United States Forest Service, through the Department of the Interior, is hereby requested to program a construction project on the Gunflint Trail in Cook County;

Resolved further, That the Congress of the United States is hereby requested to allocate additional funds to tthe United States Forest Service for projects in their recreational and forestry management program;

Resolved further, That the United States Forest Service is hereby requested to commence at once, wherever practical, any projects which they have under consideration for the year of 1958.

[SEAL] ALFRED H. RINDAHL,
County Auditor, Cook County, Minn.

INTERNAL REVENUE SERVICE RULING, RELATING TO ADVERTISING BY BUSINESS FIRMS—LETTER

Mr. HOBLITZELL. Mr. President, I ask unanimous consent that a letter which I have received from Mr. Francis P. Fisher, secretary-manager of the West Virginia Press Association, of Morgantown, W. Va., concerning a recent ruling of the Internal Revenue Service affecting advertising by business firms, be printed in the RECORD and appropriately referred.

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

WEST VIRGINIA PRESS ASSOCIATION,
Morgantown, W. Va., April 3, 1958.

Hon. JOHN D. HOBLITZELL,
United States Senate, Senate Office Building, Washington, D. C.

DEAR SIR: The board of directors of the West Virginia Press Association has taken note of the resent ruling of the Internal Revenue Service that certain institutional advertising by business firms of this country is not tax deductible as a business expense. The board is unanimous in its protest and through this letter implores the introduction or support by members of the West Virginia Congressional delegation of legislation to eradicate this vicious censorship action which constitutes one more dangerous step in the spreading law-by-regulation trend in the United States.

If the Internal Revenue Service can set itself up in this instance as a judge of what does and what does not constitute legitimate business advertising, the Nation is well on the way toward having censorship imposed by legal interpretation and any and all other governmental bureaus could follow suit. The time then would be relatively short until we would have a full and complete abrogation of our constitutional guarantees of free speech and a free press.

Examination of the underlying reasoning behind such a ruling as that which has been newly adopted by the IRS is plainly evident. It is a very apparent attempt to muzzle certain voices of criticism in the expanding socialistic trend of Government competition with private industry, the real implications of which are greatly deplored by all citizens of the Nation.

A business firm has a legal right to advertise to improve its business or its goodwill status. It has an obligation to its owners and to the public it serves to publicly state its policies and position on matter affecting its business. The freedom to express these views is a constitutional right and the cost is a legitimate item of expense in the conduct of the business of the firm.

Your consideration of the views of this matter of our board, representing the newspaper publishers of the State of West Virginia, will be greatly appreciated.

Sincerely yours,

FRANCIS P. FISHER,
Secretary-Manager.

RESOLUTION OF VILLAGE COUNCIL OF WINTON, MINN.

Mr. HUMPHREY. Mr. President, I have recently received a resolution adopted by the Village Council of the Village of Winton, Minn., urging Congress to appropriate an increased amount of funds for sewage projects.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred. There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

WINTON, MINN., *April 10, 1958.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SIR: By the order of the Village Council of the Village of Winton, I enclose a copy

of the resolution adopted by said council at their regular meeting on April 7, 1958:

"Whereas many communities in our State, including ours, are in serious need of sewage disposal works; and

"Whereas our unemployed are increasing in numbers, instead of decreasing; and

"Whereas such projects would not only help to improve the health problem existing at present in our community, and many others, but would also create employment so dearly needed: Now, therefore, be it

"*Resolved*, That we, the Village Council of the Village of Winton, Minn., meeting this 7th day of April 1958, go on record urging Congress and Senate to appropriate an increased amount of funds for such sewage projects."

VILLAGE COUNCIL, VILLAGE OF WINTON, MINN.,
ARTHUR J. JOHNSON, *Mayor.*
EVELYN PELKOLA, *Clerk.*

FOREST HIGHWAY ON THE GUNFLINT TRAIL, MINNESOTA—LETTER AND RESOLUTION

Mr. HUMPHREY. Mr. President, I have recently received a carbon copy of a letter from J. S. Harrison, county engineer of Cook County, written to M. B. Arthur, of the United States Forest Service, as well as a copy of a resolution adopted by the Board of Commissioners. The letter and the resolution urge the United States Forest Service to commence with projects under consideration for 1958; and the resolution also requests Congress to allocate additional funds to the United States Forest Service for projects in the Service's recreational and forestry-management program.

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

There being no objection, the letter and resolution were referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

APRIL 12, 1958.

Mr. M. B. ARTHUR,
United States Forest Service,
Milwaukee, Wis.

DEAR MR. ARTHUR: Enclosed is a resolution passed by the Cook County Board of Commissioners at their last meeting on April 8.

At the meeting with the allocation board last winter in Mr. Zimmerman's office it was my impression that after the funds were set up for the construction of a bridge in Itasca County there would be in the neighborhood of $300,000 left in the forest highway construction fund. I was later informed that your department and the Bureau of Public Roads felt that it would be better to hold this balance of $300,000 and add it to future allotments so that a longer mileage of construction work could be contracted on the Gunflint Trail at a later date.

The Board of Commissioners have discussed this problem at some length among themselves and with their affected constituents and are now of the opinion that it would be advantageous to this area to have a construction contract let immediately for the amount of money available for the following reasons:

1. A shorter section is more desirable from a traffic interference angle. After the first 4 miles the new location has a higher percentage of construction off of the present road.

2. The Bureau of Public Roads has informed this office that we will be expected to do the construction engineering on future contracts. We have a very small engineering department. In order to handle a large contract it would be necessary to expand our force to take care of this work. If the projects are smaller this office could handle them with minor expansion.

3. This area is feeling the recession. A construction project would help.

Hoping this meets with your favorable consideration, I remain

Yours very truly,

J. S. HARRISON,
County Engineer.

RESOLUTION No. 58–10

Whereas the United States of America is now in the midst of an economic recession to the extent that the Congress of the United States has become greatly concerned; and

Whereas curtailment of steel and wood products manufacture has affected Northeastern Minnesota, especially St. Louis, Lake and Cook Counties to the extent that a large number of residents are no longer eligible for unemployment compensation: Now, therefore, be it

Resolved, That the United States Forest Service, through the Department of Interior, is hereby requested to program a construction project on the Gunflint Trail in Cook County;

Resolved further, That the Congress of the United States is hereby requested to allocate additional funds to the United States Forest Service for projects in their recreational and forestry management program;

Resolved further, That the United States Forest Service is hereby requested to commence at once, wherever practical, any projects which they have under consideration for the year of 1958.

[SEAL] ALFRED H. RINDAHL,
County Auditor, Cook County, Minn.

RESOLUTIONS OF MINNESOTA HOLSTEIN BREEDERS ASSOCIATION

Mr. HUMPHREY. Mr. President, I have received copies of the resolutions adopted at the annual meeting of the Minnesota Holstein Breeders Association on March 29, 1958. This organization represents almost 1,000 members in the State of Minnesota.

I call them to the attention of my colleagues for their consideration.

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

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

To the Committee on Finance:

"RESOLUTIONS ADOPTED BY THE MINNESOTA HOLSTEIN FRIESIAN BREEDERS ASSOCIATION, AT ANNUAL MEETING, NORTHFIELD, MINN., MARCH 29, 1958

"1. TAXATION OF FARMERS' COOPERATIVES AND THEIR PATRONS

"Under the law, farmers' cooperatives are taxed in the same manner as business enterprises conducted by individuals or partnerships. The savings made by farmers in marketing their products through their cooperatives, belong to the farmers.

"Patronage refunds are income to farmers and are therefore taxable to the cooperative patron. The extension of withholding taxes to such allocations of income before distributions to farmers would discriminate unfairly. We oppose any legislation whereby farmers' earnings allocated directly to individual farmers by their cooperatives would be subject to withholding taxes.

"2. MARKETING AGREEMENT ACT

"We recommend review of the regulations imposed under the Agricultural Marketing Agreement Act of 1937 to the end that such exclusions from the market which are no longer necessary or in the best interests of farmers and consumers, shall be removed. Improvement in transportation equipment and the possibilities of reducing transportation costs by use of new developments in the science of manufacturing may make it unreasonable to exclude from these markets, producers living at considerable distance, but now because of advancement in the techniques of manufacturing and transportation should and can now supply milk and products of milk to the advancements of both producers and consumers."

To the Committee on Agriculture and Forestry:

"3. NATIONAL UNIFORM SANITARY STANDARDS FOR MILK

"The development and administration of standards for use in the marketing of perishable commodities interstate is a well-defined function of government. Such standards have been developed but never made mandatory with reference to fluid milk. The United States Department of Health, Education, and Welfare has proposed a milk ordinance in code as a service to local communities. This ordinance in code is widely used in administering the public functions related to the local milk supply. If health officers fail to apply the standards uniformly, the shipment of milk interstate for use in the various markets becomes uncertain and confused.

"We recommend to the Congress of United States that (a) the provisions of the United States milk ordinance and code should be made mandatory with reference to all milk moving in interstate commerce in all markets of the United States, and that (b) to prevent buildup of duplicating and conflicting inspection agencies the personnel of local public health offices be qualified by the Department of Health, Education, and Welfare, insofar as feasible, to administer the inspection and certification provisions of the code."

To the Committee on Labor and Public Welfare:

"4. LABOR AND MANAGEMENT

"Labor, costs or wages, cannot be advanced more rapidly than the productivity of labor if our present disastrous inflationary trend is to be curbed and a stabilized dollar be realized.

"We appeal to the leaders of the labor movement to use discretion and sound business judgment in making demands for wage increases, and do so only when increased productivity would justify such increases.

"We also appeal to the management of industry to refrain from price increases that extend beyond the cost of production, plus a reasonable return or profit on investment. The vicious wage-price spiral of today constitutes one of the great dangers jeopardizing the future welfare of our free American economy, and constitutes the principal cause of the present price-cost squeeze on agriculture.

"5. FOOT-AND-MOUTH DISEASE

"The Minnesota Holstein Breeders Association in convention assembled joins with other interested livestock organizations in recommending and strongly urging that the Joint Commission for the Prevention of Foot and Mouth Disease now located in Mexico be continued. In addition, we wish to commend both the Governments of Mexico and United States in maintaining a nucleus of personnel and equipment under this Joint Commission for the protection of both countries against the recurrence of the dreaded foot-and-mouth disease on our continent."

RESOLUTION OF NORTHERN COOPERATIVES, INC., WADENA, MINN.

Mr. HUMPHREY. Mr. President, on April 1, 1958, the delegates and members of the Northern Cooperatives, Inc., adopted a resolution urging the Congress to override President Eisenhower's veto of the price support bill.

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

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

NORTHERN COOPERATIVES, INC.,
Wadena, Minn., April 9, 1958.

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

MY DEAR SENATOR HUMPHREY: At our annual meeting on April 1, 1958, at Wadena, Minn., the following resolution was passed:

"*Resolved*, That we the delegates and members of Northern Cooperatives, Inc., assembled in annual meeting on April 1, 1958, urgently request your special efforts in behalf of all the people of this upper Midwest area in gaining the necessary vote to override the President's ill-advised veto of the price support bill."

We earnestly solicit your support of our cause.

Respectfully,

ARTHUR HANSEN,
Secretary.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

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

S. Con. Res. 77. Concurrent resolution to extend greetings to the Federal Legislature of the West Indies (Rept. No. 1435).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

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

Whiting Willauer, of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary to Costa Rica, vice Robert F. Woodward;

Walter Howe, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary to Chile, vice Cecil B. Lyon;

Kingsley Davis, of New York, to be the representative on the Population Commission of the Economic and Social Council of the United Nations;

Dr. Althea K. Hottel, of Pennsylvania, to be the representative on the Social Commission of the Economic and Social Council of the United Nations; and

Jacob D. Beam, of New Jersey, and sundry other persons, for appointment and promotion in the foreign and diplomatic service.

BILLS INTRODUCED

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

By Mr. THYE:

S. 3616. A bill to amend title XV of the Social Security Act to provide for payments of unemployment compensation thereunder to veterans discharged after 1957, to the same extent as such payments are made to civilian employees of the United States; to the Committee on Finance.

By Mr. COOPER (for himself and Mr. MORTON):

S. 3617. A bill to change the name of the Abraham Lincoln National Historical Park to Abraham Lincoln's Birthplace; to the Committee on Interior and Insular Affairs.

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

By Mr. McCLELLAN:

S. 3618. A bill to provide for the registration of labor unions the members of which are employed by employers engaged in commerce or in activities affecting commerce, and for other purposes; to the Committee on Labor and Public Welfare.

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

By Mr. NEUBERGER:

S. 3619. A bill to establish a National Wilderness Preservation System for the permanent good of the whole people, to provide for the protection and administration of the areas within this System by existing Federal agencies and for the gathering and dissemination of information to increase the knowledge and appreciation of wilderness for its appropriate use and enjoyment by the people, to establish a National Wilderness Preservation Council, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. McNAMARA:

S. 3620. A bill for the relief of Maria Bogatkin Manea; to the Committee on the Judiciary.

By Mr. MURRAY (by request):

S. 3621. A bill to repeal the act of March 24, 1948, which establishes special requirements governing the selection of superintendents of national cemeteries; to the Committee on Interior and Insular Affairs.

By Mr. THURMOND:

S. 3622. A bill to amend the War Orphans' Educational Assistance Act of 1956 to permit the Administrator of Veterans Affairs to make payments with respect to the special restorative training of younger persons than those with respect to whom the Administrator may now make such payments; to the Committee on Labor and Public Welfare.

By Mr. JENNER:

S. 3623. A bill for the relief of certain officers of the United States Air Force who performed service with the United States during World War II as part of a Yugoslav Detachment; to the Committee on Armed Services.

RESOLUTION

Mr. HUMPHREY submitted a resolution (S. Res. 288) concerning participation of the United States Government in the American Fair in Moscow in August 1958, which was referred to the Committee on Foreign Relations.

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

CHANGE OF NAME OF ABRAHAM LINCOLN NATIONAL HISTORICAL PARK TO ABRAHAM LINCOLN'S BIRTHPLACE

Mr. COOPER. Mr. President, on behalf of myself, and my colleague, the junior Senator from Kentucky [Mr. MORTON], I introduce, for appropriate reference, a bill to change the name of the Abraham Lincoln National Historical Park to Abraham Lincoln's Birthplace.

Abraham Lincoln was born on February 12, 1809, on a farm in Hardin County, Ky. Later, Larue County was established and Abraham Lincoln's birthplace is now situated in Larue County, a few miles from its county seat, Hodgenville, Ky. On the original farm, the log cabin in which Lincoln was born stands, and nearby, a marble memorial has been erected. In 1916, his birthplace was established as a national park and was named the Abraham Lincoln National Park by the act of July 17, 1916, and was later changed to the Abraham Lincoln National Historical Park by the act of August 11, 1939.

It is the belief of many Kentuckians, a belief which I share, that this park should be designated as Abraham Lincoln's Birthplace to identify it and distinguish it from the many parks and shrines that mark Abraham Lincoln's life. I believe thousands of people throughout the United States would also approve the change which the bill I introduce proposes. I think it is important to make this change as we approach the sesquicentennial anniversary of the birth of Abraham Lincoln.

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

The bill (S. 3617) to change the name of the Abraham Lincoln National Historical Park to Abraham Lincoln's Birthplace, introduced by Mr. COOPER (for himself and Mr. MORTON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

LABOR UNION REGISTRATION ACT OF 1958

Mr. McCLELLAN. Mr. President, I introduce a bill for appropriate reference.

After having served for nearly 15 months as chairman of the Senate Select Committee on Improper Activities in the Labor or Management Field, I am firmly convinced of the urgent need for remedial legislation.

Investigations made by the Senate select committee have disclosed many improper practices and abuses in labor-management relations. For a list and description of such improper activities and abuses the committee has discovered, I refer Senators who are interested to the interim report of the select committee submitted to the Senate on March 24, 1958.

It is perfectly obvious that these improper practices are of such a nature that they should no longer be tolerated or permitted to flourish.

The extent to which criminal, corrupt, and disreputable elements have infiltrated and now dominate the labor movement in some areas is shocking to an alarming degree. The impositions on management and the public, and the exploitation of union members in some labor organizations by arrogant and dishonest labor officials, have reached proportions that violate all proper ethics and standards of decency, defy law and order, and constitute a serious threat to free trade unionism and to our free en-

terprise system. Unless these vicious practices are stopped, there is real danger ultimately of a racketeer, gangster-dominated economy in America.

These evils must be dealt with by legislation. The honest, dedicated leadership of the labor movement—however conscientious and determined it may be to discover, expose, and drive out the crooks, hoodlums, and undesirable elements which have reached positions of influence and authority in some labor unions—simply does not have either the capacity or the power to do it.

The duty, therefore, rests squarely upon the Congress to enact laws to safeguard the rights, the interest, and the welfare of the workers, of the employers, and of the public at large. This duty we cannot shirk. It must be met. We have no other alternative except by inaction to condone that which in all good conscience we should condemn and prevent.

It is being freely predicted in some quarters that the Congress lacks the moral and political courage to face up to this issue and to do anything about it. Other sources are skeptical and are apprehensive that we will be influenced by partisan or political considerations rather than be guided by a sense of patriotic and public responsibility. On that score, I know we face a challenge, but I do not believe we will either fail or falter. I have an abiding faith and confidence in the courage, wisdom, and integrity of the membership of this body, and of the other House of the Congress, and I simply cannot—I do not—believe we will be derelict in our duty and found wanting.

Mr. President, I am not, and I shall never be, an enemy of, or unfriendly to, organized labor and its members who work and pay their dues. I want to be, and I am, their friend; but I am, and shall continue to be, unfriendly to those who would, and who do, bring dishonor and desrepute upon the labor movement, and who exploit the dues-paying members of organized labor and their families for their own personal advantage, greed, and self-aggrandizement.

The bill which I introduce today is not punitive or oppressive either in character or purpose. It is designed and intended for the protection of, and to secure and preserve, the rights and liberties of the working men and women in America. There is not a single provision in this bill that will militate against their interest and welfare. If enacted into law, their interest will be protected and their welfare greatly enhanced.

I make no claim that the bill is perfect. It is not. No doubt it can be, after careful study, improved by proper amendments or modifications. But it does make the right approach toward the elimination of some evils which now exist in the labor-management field, and its basic principles and fundamentals should be retained and enacted into law.

The legislation I am proposing is not all that is needed. A number of other bills are pending in the Senate which deal with other aspects of the problem. Later, after the investigations by the committee have progressed further, I shall propose additional measures. In the meantime, I respectfully urge the Senate Committee on Labor and Public Welfare to give the bill immediate consideration. Action should be had at this session of Congress. The evils the bill is designed to correct will continue to thrive until Congress acts. In this instance, action delayed will be justice denied.

Mr. President, I ask unanimous consent that an analysis of the provisions of this bill which I have prepared may be printed in the RECORD at this point as a part of my remarks.

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

The bill (S. 3618) to provide for the registration of labor unions, the members of which are employed by employers engaged in commerce or in activities affecting commerce, and for other purposes, introduced by Mr. MCCLELLAN, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The analysis presented by Mr. MCCLELLAN is as follows:

EXPLANATION OF BILL WHICH WOULD REQUIRE THE REGISTRATION OF LABOR UNIONS, AND TO ELIMINATE CERTAIN UNFAIR LABOR PRACTICES IN THE LABOR-MANAGEMENT FIELD, AND FOR OTHER PURPOSES

The bill requires all labor unions engaged in commerce or whose members are employed by employers engaged in commerce or in businesses affecting commerce to register with the Secretary of Labor by filing statements containing certain financial and other information concerning the organization and activities of the union. The registration statement would also be required to include a copy of the charter and bylaws of the union, which would be required by the bill to contain certain provisions and to conform to certain standards.

The union would be required, in order to keep its registration statement in effect, (1) to keep up to date the information required to be reported in the registration statement, and (2) to comply with the provisions required by the bill to be contained in its charter and bylaws.

Whenever the Secretary of Labor finds that a union has failed to keep its registration statement up to date or that such statement or any amendment or financial report filed under the bill contains false or misleading statements or that the union has failed to comply with the provisions required by the bill to be contained in its charter and bylaws, he will have authority, upon notice to the union and opportunity for hearing, to make a determination that a registration statement is no longer in effect.

A union which is required to register and which fails to do so or whose registration is determined by the Secretary of Labor no longer to be in effect, will lose (1) its right to be certified as the representative of employees under the National Labor Relations Act or any other Federal act, as well as its right to file charges or complaints on behalf of employees before the National Labor Relations Board or other Government agencies, and (2) its tax exemption, as well as that of any trust or other organization organized by it for the benefit of its members, under the Internal Revenue Code. The determination of the Secretary of Labor would be subject to court review.

Willful misrepresentation of material facts in a registration statement or financial report would be punishable as a felony and persons guilty thereof could be denied, under proceedings instituted by the Secretary of Labor, the privilege of acting as officers or agents of registered labor unions.

Certain other offenses including bribery, extortion, and false entry in or destruction of records would also be made criminal offenses.

Registration statements and reports filed under the bill would be made available by the Secretary of Labor for inspection by the public.

The bill provides for the supervision of union elections by the Secretary of Labor upon request of at least 10 percent of the members. It also authorizes the Secretary of Labor to void an election where he determines, after investigation conducted upon request of at least 10 percent of the members, that fraud or other improper practices existed in connection with the election.

The bill amends the National Labor Relations Act so as to make organizational picketing prior to the holding of a representation election an unfair labor practice unless two-thirds of the employees concerned have requested their employer to recognize as their bargaining representative a particular labor union designated by them.

Persons and organizations who are not employees of an employer but who are retained by an employer for the purpose of acting on his behalf with respect to labor relations between the employer and his employees would also be required to register with the Secretary of Labor, and upon failure to do so would be subject to fine and imprisonment. This requirement would not apply to attorneys, arbitrators and others who are retained by both labor and management, and Government officers in positions relating to labor-management relations. Such registration statements could be suspended or canceled in the same manner and for the same reasons as is provided for the cancellation or suspension of registration statements filed by labor unions.

Registered local unions would be required by the bill to incorporate in their charter or bylaws provisions:

(1) Limiting the amount of the initiation fee to be charged any prospective member of such union, such fee to be related to the amount of wages employees with the particular skills of such prospective member generally receive in the locality at the time;

(2) Requiring the maintenance of a roster of the names and addresses of all members of such union, which roster shall be open to inspection to all members of the union;

(3) Requiring that bylaws providing for the payment of dues be adopted or amended only by majority vote of the members of the union;

(4) Requiring that a general membership meeting be held at least 3 times each year, that all members be given 10 days' advance notice of such meeting, and that such notice shall specify the matters to be taken up at such meeting;

(5) Requiring that the three principal officers of the union, the board of directors, executive committee, or other governing body of the union be elected by written, secret ballot by majority vote of the membership of the union;

(6) Requiring that the certified accountants who certify the financial records of the union be elected by written, secret ballot by majority vote of the membership of the union;

(7) Requiring that each member of the union be entitled to one vote and one vote only at any general membership meeting, and that all votes be cast in person;

(8) Requiring that officers not be elected for a period of more than 2 years;

(9) Providing for the removal of union officers for cause;

(10) Requiring that delegates of the union to any convention or meeting of an

international union be elected by majority vote of the membership of the local union;

(11) Requiring that the salaries of the officers, directors, or other governing body of the union be established by majority vote of the membership of the union;

(12) Prohibiting the granting of a general expense allowance to any officer, director, etc., of the union unless such expense allowance has been voted at a general membership meeting;

(13) Requiring that officers and employees handling union funds be put under bond;

(14) Requiring that records of action taken at general membership meetings be kept and be open to inspection by the members of the union;

(15) Requiring that detailed financial records of the union be kept and be open to inspection by the members of the union;

(16) Requiring that all records required to be kept be kept for at least 6 years;

(17) Limiting the amount of working capital a union may have on hand and prescribe the manner in which surplus capital shall be invested;

(18) Requiring the making of an annual report to the members of the financial condition of the union; and

(19) Requiring that each member of the union be given a copy of any collective bargaining agreement which affects his employment.

Registered international unions are required by the bill to incorporate in their charter or bylaws provisions:

(1) Requiring that a convention be held at least once each 3 years at which officers will be elected;

(2) Limiting the tenure of office of officers of the union;

(3) Requiring that each local union shall have a vote based on the number of its members and that each local union shall participate in the election of officers of the international union;

(4) Requiring that boards of directors or other governing bodies of the international union be elected by the constituent local unions of such international union and none others;

(5) Requiring that the three principal officers of an international union be elected at a convention meeting of such union;

(6) Requiring that the certified public accountant certifying the financial records of an international union be elected at a convention meeting of such union;

(7) Requiring that the salaries of officers, directors or other governing bodies of the international union be established by majority vote of the constituent local unions of such international union;

(8) Requiring that general expense allowances to union officers, directors, etc., of an international union be permitted only by majority vote of the constituent local unions of such international union;

(9) Requiring that 30 days' notice be given of any meeting for the election of officers, directors, or other governing bodies of an international union;

(10) Requiring that certain notice be given of any extraordinary meeting of an international union and that the constituent local unions of such international union be advised of the matters proposed to be taken up at such meeting;

(11) Requiring that records of matters acted upon at any general meeting of an international union be kept and be open to inspection by the members of the constituent local unions of such international union;

(12) Requiring that detailed financial records of the international union be kept and be open to inspection by interested parties;

(13) Requiring that records required to be kept for 6 years;

(14) Requiring that the international union make an annual report of its financial condition to its constituent local unions;

(15) Requiring that officers and employees handling funds of an international union be put under bond;

(16) Requiring that no representative of a local union be allowed to vote unless he has been elected by the members of such local union;

(17) Requiring that an international union shall be entitled to a roster of the members of its constituent local unions in order to determine amount of voting power to which such constituent unions should be entitled;

(18) Establishing limitations on the amount of working capital the international union may have on hand and prescribing the manner in which surplus capital may be invested;

(19) Requiring that the international union furnish affected constituent unions with copies of collective bargaining agreements made by the international unions;

(20) Prescribing the conditions under which charters will be granted to constituent unions; and

(21) Setting forth the conditions under which the international union may impose a trusteeship on a constituent union, and limiting the time during which such a trusteeship may be exercised.

Both local and international unions would be required by the bill to include in their charter or bylaws provisions:

(1) Requiring preservation for a period of a year all ballots on matters required to be determined by secret ballot;

(2) Prohibiting the creation or financing by the union of other organizations unless authorized by secret ballot of the membership;

(3) Prohibiting the loaning of union funds to officers of the union or to any business in which such officers have an interest;

(4) Making persons who are under civil disability for conviction of crime ineligible to serve as officers or agents of the union; and

(5) Requiring the union to obtain the approval of a majority of its members, by secret ballot, before calling a strike or entering into a collective bargaining agreement.

NATIONAL WILDERNESS PRESERVATION SYSTEM

REVISION OF BILL TO PRESERVE AMERICAN WILDERNESS

Mr. NEUBERGER. Mr. President, one of the great opportunities still facing the 85th Congress is a matter of deep and longtime interest to me. I refer to the opportunity we have, through the wilderness bill (S. 1176), to establish a national policy for preserving some of our great primeval areas.

For years I have been concerned with programs to preserve our wilderness, and when the wilderness bill was introduced in the 84th Congress by the distinguished junior Senator from Minnesota [Mr. HUMPHREY] I was glad to be closely associated with him as a cosponsor and an active advocate.

That introduction came late in the 2d session of the 84th Congress and was for study purposes only. In the 85th Congress, however, we have faced and are facing a definite challenge to see wilderness preservation legislation become a reality.

We have seen the wilderness bill subjected to hearings in both the House and Senate. We have had the reports of the executive departments. We have had the criticisms and suggestions of those who, for one reason or another, have opposed it in whole or in part. We have had an increasing public interest and an encouraging expression of editorial approval—commendations in newspaper editorials from coast to coast: Boston, in the Christian Science Monitor; New York, in the New York Times; Washington, in the Post and Times Herald; St. Louis, in the Post-Dispatch; San Francisco, in the Chronicle; Portland, Oreg., in the Oregon Journal—to name a few and outstanding examples.

As a result of all these comments, suggestions, criticisms, commendations, we have had an excellent opportunity to clarify and improve the bill and to change it so far as possible to meet objections.

Mr. President, we have been meeting this challenge. Following the hearings last June and the conferences that came later with experts in our executive agencies and with others who have been specially concerned, a revised form of the bill was prepared, and this revision has itself been subjected to further scrutiny and revision. This second revision of the bill is in the form of an Interior Committee Print No. 2, and I ask unanimous consent that it be printed at this point in the RECORD.

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

The bill (S. 3619) to establish a National Wilderness Preservation System for the permanent good of the whole people, to provide for the protection and administration of the areas within this System by existing Federal agencies, and for the gathering and dissemination of information to increase the knowledge and appreciation of wilderness for its appropriate use and enjoyment by the people, to establish a National Wilderness Preservation Council, and for other purposes, introduced by Mr. NEUBERGER, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a), in order to secure for the American people of present and future generations the benefits of an enduring resource of wilderness, there is hereby established a National Wilderness Preservation System. As hereinafter provided, this System shall be composed of areas of public land in the United States, and its Territories and possessions, retaining their natural primeval environment and influence and being managed for purposes consistent with their continued preservation as wilderness, which areas shall serve the public purposes of recreational, scenic, scientific, educational, conservation, and historical use and enjoyment by the people in such manner as will leave them unimpaired for future use and enjoyment as wilderness.

(b) The Congress recognizes that an increasing population, accompanied by expanding settlement and growing mechanization, is destined to occupy and modify all areas within the United States, its Territories, and possessions except those that are designated for preservation and protection in their natural condition. The preservation of such designated areas of wilderness is recognized as a desirable policy of the Government of the United States of America for the health, welfare, knowledge, and happiness of its citizens of present and future generations, particularly for those uses of such areas that facili-

tate recreation and the preservation or restitution of health.

It is accordingly declared to be the policy of Congress (1) to secure the dedication of an adequate system of areas of wilderness to serve the recreational, scenic, scientific, educational, conservation, and historical needs of the people, and (2) to provide for the protection of these areas in perpetuity and for the gathering and dissemination of information regarding their use and enjoyment as wilderness. Pursuant to this policy the Congress gives sanction to the continued preservation as wilderness of those areas federally owned or controlled that are within national parks, national forests, national wildlife refuges, or other public lands, and that have so far retained under their Federal administration the principal attributes of their primeval character. It is pursuant to this policy and sanction that the National Wilderness Preservation System is established. Within the units of this System designated for inclusion by this act, and in those that may later be designated in accordance with its provisions, the preservation of wilderness shall be paramount.

In establishing thus a National Wilderness Preservation System to include units within the national forests it is further declared to be the policy of Congress to administer the national forests with the general objectives of multiple use and sustained yield, and in order to carry out this policy the Secretary of Agriculture is accordingly directed to administer the national forests on a multiple use basis so that the resources thereof will be used and developed to produce a sustained yield of products and services, including the establishment and maintenance of wilderness areas, for the benefit of all the people of this and future generations.

(c) A wilderness, in contrast with those areas where man and his own works dominate the landscape, is hereby recognized as an area where the earth and its community of life are untrammeled by man, where man himself is a part of the natural community, a visitor who does not remain and whose travels leave only trails.

For the purposes of this act the term "wilderness" shall include the areas provided for in section 2 of this act and such other areas as shall be designated for inclusion in the National Wilderness Preservation System in accordance with the provisions of this act.

NATIONAL WILDERNESS PRESERVATION SYSTEM

SEC. 2. The National Wilderness Preservation System (hereafter referred to in this act as the System) shall comprise (subject to preexisting private rights, if any) the federally owned or controlled areas of land and water provided for in this section and the related airspace reservations.

NATIONAL FOREST AREAS

(a) The System shall include the areas within the national forests classified on June 1, 1957, by the Department of Agriculture or the Forest Service as wilderness, wild, primitive, or roadless: *Provided*, That the System shall not include any primitive area which the Secretary of Agriculture shall determine to be not predominantly of wilderness value, and each primitive area included in the System shall be subject to such boundary modification as the Secretary shall determine to be needed to exclude any portions not predominantly of wilderness value or to add any adjacent national forest lands predominantly of wilderness value.

Additional areas for inclusion in the System may be designated within national forests by the Secretary of Agriculture.

Any addition, modification, or elimination of any national forest area or part thereof, to, in, or from the System shall be in accordance with such regulations as the Secretary of Agriculture shall establish in conformity with the purposes of this act and shall be made only after not less than 90 days public notice and the holding of a public hearing, if there is a demand for such a hearing, and shall take effect as provided in subsection (f) below.

NATIONAL PARK SYSTEM AREAS

(b) At the times and in the manner hereinafter provided for, the System shall include each park, monument, and recreation area in the National Park System on June 1, 1957, embracing a continuous area of 5,000 acres or more without roads.

Additional units of the National Park System may be designated for inclusion in the Wilderness System by act of Congress or by Executive order or proclamation of the President. No unit of the National Park System shall be removed from the Wilderness System except by act of Congress.

Ninety days after giving public notice in accordance with section 4 of the Administrative Procedure Act of 1946 (60 Stat. 238; 5 U. S. C. 1003) the Secretary of the Interior shall designate within each unit of the National Park System included in the System such area or areas as he shall determine to be required for roads, motor trails, buildings, accommodations for visitors, and administrative installations. A notice of each such designation, together with a map and description of the affected area or areas, shall be forwarded to the Secretary of the National Wilderness Preservation Council established hereunder.

No designation of an area for roads, motor trails, buildings, accommodations for visitors, or administrative installations shall modify or affect the application to that area of the provisions of the act approved August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes" (39 Stat. 535, as amended; U. S. C. 16: 1 et seq.). The accommodations and installations in such designated areas shall be incident to the conservation and use and enjoyment of the scenery and the natural and historical objects and flora and fauna of the park or monument in its natural condition.

The inclusion of any National Park System area within the National Wilderness Preservation System pursuant to this act shall in no manner lower the standards evolved for the use and preservation of such National Park System areas in accordance with the act of August 25, 1916 (39 Stat. 535, as amended; 16 U. S. C., 1952 edition, sec. 1 et seq.), the statutory authority under which the area was created, or any other act of Congress which might pertain to or affect such National Park System area, including, but not limited to, the act of June 8, 1906 (34 Stat. 225; 16 U. S. C., 1952 edition, secs. 432 et seq.), the provisions of section 796, title 16, United States Code, 1952 edition, and the act of August 21, 1935 (49 Stat. 666; 16 U. S. C., 1952 edition, sec. 461 et seq.).

NATIONAL WILDLIFE REFUGES AND RANGES

(c) At the times and in the manner hereinafter provided for, the System shall include, each national wildlife refuge and range embracing on June 1, 1957, a continuous area of 5,000 acres or more without roads, and such other wildlife refuge or range as the Secretary of the Interior may determine to be predominantly valuable for the preservation of wildlife under wilderness conditions. Designations of such refuges and ranges shall be reported, with maps and descriptions, to the Secretary of the National Wilderness Preservation Council established hereunder. No wildlife refuge or range shall be removed from the System except by Act of Congress.

Ninety days after giving public notice in accordance with section 4, Administrative Procedure Act of 1946 (60 Stat. 238; 5 U. S. C. 1003) the Secretary of the Interior shall designate within each national wildlife refuge and range included in the System such area or areas as he shall determine to be required for roads and buildings and other installations for administration and protection of the wildlife. A notice of each such designation together with a map and description of the affected area or areas shall be forwarded to the secretary of the National Wilderness Preservation Council established hereunder.

THE INDIANS' WILDERNESS

(d) The System shall include such areas of tribal land on Indian reservations as the Secretary of the Interior may designate upon the recommendation of or with the consent of the several tribes or bands, through their tribal councils or other duly constituted authorities. Such designation shall not change the title to the land or curtail or take away any authority or power of the tribe over its tribal land.

Any proposed addition, modification, or elimination of roadless or wild areas within Indian reservations shall be in accordance with such regulations as the Secretary of the Interior shall establish in conformity with the purposes of this act and shall be made only with the consent of the several tribes or bands, through their tribal councils or other duly constituted authorities. The Secretary of the Interior is authorized and directed to make any addition, modification, or elimination recommended by any tribe or band with regard to any area of its tribal land. Any addition, modification, or elimination shall be reported, with map and description, to the secretary of the National Wilderness Preservation Council. Nothing in this act shall in any respect abrogate any treaty with any band or tribe of Indians, or in any way modify or otherwise affect existing hunting and fishing rights or privileges.

OTHER UNITS

(e) The System shall also include such units as may be designated within any federally owned or controlled area of land and/or water by the official or officials authorized to determine the use of the lands and waters involved, including any area or areas acquired by gift or bequest by any agency of the Federal Government for preservation as wilderness. Addition to or modification or elimination of such units shall be in accordance with regulations that shall be established in conformity with the purposes of this act by the official or officials authorized to determine the use of the lands and waters involved, and shall take effect as provided in subsection (f) below. Said official or officials shall forward a notice of such addition, modification, or elimination to the secretary of the National Wilderness Preservation Council. Such regulations with regard to any privately owned area given or bequeathed to a Federal agency for preservation as wilderness shall be in accordance with such agreements as shall be made at the time of such gift or bequest.

ADDITIONS, MODIFICATIONS, AND ELIMINATIONS

(f) Any proposed addition to, modification of, or elimination from any area of wilderness established in accordance with this act, other than on Indian reservations in accordance with subsection (d) of this section, shall be reported to Congress by the Secretary of Agriculture, the Secretary of the Interior, or other official or officials having jurisdiction over the lands involved and shall take effect upon the expiration of the first period of 120 calendar days, of continuous session of Congress, following the date on which the report is received by Congress; but only if during this period there has not been passed by Congress a concurrent resolution opposing such proposed addition, modification, or elimination. A copy of each such report submitted to Congress shall at the same time be forwarded to the secretary of the National Wilderness Preservation Council. Within any federally owned unit within the System the acquisition of any privately owned lands is hereby authorized and such sums as the Congress may decide

are hereby authorized to be appropriated for such acquisition out of any money in the Treasury not otherwise appropriated.

(g) Designations of areas in National Park System units and in national wildlife refuges and ranges as provided for in section 2 (b) and (c) shall be made not later than 10 years, after the date of this act, or within 2 years after the unit has been added to the System, whichever is later. Each such National Park System unit and each such refuge or range shall become a part of the System when the designation has been made. Should the Secretary fail to make such a designation within the time limits specified, each refuge, range, or unit of the National Park System involved, with the exception of roads, motor trails, buildings, accommodations for visitors, and/or other installations for administration and protection then existing in any refuge, range, or unit, shall automatically then become a part of the System.

Determinations regarding national forest areas classified as primitive as provided for in the proviso in section 2 (a) shall be made by the Secretary of Agriculture within 10 years after the date of this act and any such area regarding which such determinations have not then been made shall, with the exception of any roads, motor trails, structures, or other installations then existing, automatically then become a permanent part of the System no longer subject to the proviso in section 2 (a).

USE OF THE WILDERNESS

SEC. 3. (a) Nothing in this act shall be interpreted as interfering with the purpose stated in the establishment of any national park or monument, national forest, national wildlife refuge, Indian reservation, or other Federal land area involved, except that any agency administering any area within the National Wilderness Preservation System shall be responsible for preserving the wilderness character of the area and shall so administer such area for other purpose or purposes as to preserve also its wilderness character. The National Wilderness Preservation System shall be devoted to the public purposes of recreational, educational, scenic, scientific, conservation, and historical uses. All such use shall be in harmony, both in kind and degree, with the wilderness environment and with its preservation, and the areas within the System shall be so managed as to protect and preserve the soil and the vegatation thereon beneficial to wildlife.

The administration of areas in the national forests as units of the System shall be in accordance with such regulations as the Secretary of Agriculture shall establish in conformity with the purposes of this act; and such purposes are hereby declared to be within and supplemental to but not in interference with the purposes for which national forests are established as set forth in the Act of June 4, 1897 (sec. 1, 30 Stat. 34, 35; 16 U. S. C. 475, 551).

The administration of the included national parks, national monuments, and wildlife refuges and ranges as units of the System shall be in accordance with such regulations as the Secretary of the Interior shall establish in conformity with the purposes of this act.

The administration of roadless and wild areas within Indian reservations included in the System shall be in accordance with such regulations as the Secretary of the Interior shall establish in conformity with the purposes of this act subject to the consent of the several tribes or bands, through their tribal councils or other duly constituted authorities, each with regard to the area or areas within its jurisdiction.

The administration of any other area added to the System and not otherwise provided for in this section shall be in accordance with such regulations as shall be established in conformity with the purposes of this act by the official or officials authorized to determine the use of the lands and waters involved.

Copies of the regulations established for such administration of any unit or units of the System and copies of any subsequent amendments thereto shall be forwarded by the Secretary of Agriculture, the Secretary of the Interior, or such other official or officials as shall establish such regulations, to the secretary of the National Wilderness Preservation Council. The Council shall maintain a public file of such regulations but shall have no administrative jurisdiction over any unit in the System nor over any agency that does have such jurisdiction.

(b) Except as otherwise provided in this section, and subject to existing private rights (if any), no portion of any area constituting a unit of the System shall be devoted to any form of commercial enterprise except as contemplated by the purposes of this act. Within such areas, except as otherwise provided in this section and in section 2 of this act, there shall be no permanent road; nor shall there be any use of motor vehicles, motorized equipment, or motorboats, or landing of aircraft, nor any other mechanical transport or delivery of persons or supplies, nor any temporary road, nor any structure or installation, in excess of the minimum required for the administration of the area for the purposes of this act.

SPECIAL PROVISIONS

(c) The following special provisions are hereby made:

(1) Within national forest areas included in the System grazing of domestic livestock and the use of aircraft or motorboats where these practices have already become well established may be permitted to continue subject to such restrictions as the Chief of the Forest Service deems desirable.

(2) Within national forest areas included in the System the President may, within a specific area and in accordance with such regulations as he may deem desirable, authorize prospecting, mining, the establishment or maintenance of reservoirs and water-conservation works, and such measures as may be found necessary in the control of insects and diseases, including the permanent road construction found essential to such mining and reservoir construction, upon his determination that such use in the specific area will better serve the interests of the United States than will its denial.

(3) Other provisions of this act to the contrary notwithstanding, the management of the Superior, Little Indian Sioux, and Caribou Roadless areas in the Superior National Forest, Minn., shall be in accordance with regulations established by the Secretary of Agriculture in accordance with the general purpose of maintaining, without unnecessary restrictions on other uses, including that of timber, the primitive character of the roadless areas, particularly in the vicinity of lakes, streams, and portages: *Provided*, That nothing in this act shall preclude the continuance within these roadless areas of any already established use of motorboats. Nothing in this act shall modify the restrictions and provisions of the Shipstead-Nolan Act, Public Law 539, 75th Congress, 2d session, July 10, 1930, and the Humphrey-Thye-Blatnik-Andresen Act, Public Law 607, 84th Congress, 2d session, June 22, 1956, as applying to the Superior National Forest or the regulations of the Secretary of Agriculture. Modifications of roadless areas within the Superior National Forest shall be accomplished in the same manner as provided in section 2 (a) and (f).

(4) Any existing use authorized or provided for in the Executive order or legislation establishing any national wildlife refuge or range may be continued in accordance with permit granted under such authorization or provision.

(5) Nothing in this act shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from State water laws.

NATIONAL WILDERNESS PRESERVATION COUNCIL

SEC. 4. (a) A National Wilderness Preservation Council is hereby created to consist ex officio of the persons at the time designated as the Chief of the United States Forest Service, the Director of the National Park Service, the Director of the Bureau of Sport Fisheries and Wildlife, the Commissioner of Indian Affairs, the Director of the Bureau of Land Management, the secretary of the Smithsonian Institution, and also three citizen members known to be informed regarding, and interested in the preservation of, wilderness, one of whom shall be named initially for a term of 2 years, 1 for a term of 4 years, and 1 for a term of 6 years, by the President. After the expiration of these initial terms, each citizen member shall be appointed for a 6-year term. The President shall designate from among its members a chairman, who shall serve for a 2-year term. The secretary of the Smithsonian Institution shall be the secretary of the Council and, subject to the Council, shall maintain its headquarters.

(b) The Council shall serve as the repository for, and shall maintain available for public inspection, such maps and official papers regarding the System as may be filed with it. The Council shall serve as a nonexclusive clearinghouse for exchange of information among the agencies administering areas within the System. The Council shall make, sponsor, and coordinate surveys of wilderness needs and conditions and gather and disseminate information, including maps, for the information of the public regarding use and preservation of the areas of wilderness within the System, including information and maps regarding State and other non-Federal areas which the Council shall consider important for wilderness preservation. The Council is directed to consult with, advise, and invoke the aid of appropriate officers of the United States Government and to assist in obtaining cooperation in wilderness preservation and use among Federal and State agencies and private agencies and organizations concerned therewith. The Council, through its Chairman, shall annually present to Congress, not later than the first Monday in December, a report on the operations of the Council during the preceding fiscal year and on the status of the System at the close of that fiscal year, including an annotated list of the areas in the System showing their size, location, and administering agency, and shall make such recommendations to Congress as the Council shall deem advisable.

(c) The Council shall meet annually and at such times between annual meetings as the Council shall determine, or upon call of the Chairman or any three members. Members of the Council shall serve as such without compensation but shall receive transportation expenses and in addition a per diem payment to be fixed by the Council, not to exceed $25 a day, as reimbursement for expenditures in connection with attending any meeting of the Council. A sum sufficient to pay the necessary clerical and administrative expenses of the Council and its members, not to exceed an annual expenditure of $50,000, and such additional sums as the Congress may decide for carrying out the purposes of the Council, including printing, are hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated. The Council is authorized to accept private gifts and benefactions to be used to further the purposes of this Act, and such gifts and benefactions shall be deductible from income for

Federal tax purposes and shall be exempt from Federal estate tax.

SEC. 5. This act shall be known as the "National Wilderness Preservation Act."

Mr. NEUBERGER. Mr. President, this new form of the wilderness bill has been analyzed and described, at my request, by Dr. Howard Zahniser, Washington representative of Trustees for Conservation, and I ask unanimous consent that the statement prepared for me by Dr. Zahniser, entitled "Improvements in the Wilderness Bill" be printed in the RECORD at this point.

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

IMPROVEMENTS IN THE WILDERNESS BILL

(An analysis and interpretation by Howard Zahniser, Washington representative, Trustees for Conservation, 6222 43d Avenue, Hyattsville, Md., February 15, 1958, prepared at the request of Senator RICHARD L. NEUBERGER, of Oregon)

Trustees for Conservation, an organization with headquarters at 251 Kearny Street, San Francisco 8, Calif., has been working earnestly in support of the wilderness bill ever since its introduction, for study purposes, in the 84th Congress. As pointed out during the June 1957 hearings on the measure, "our approach to this legislation has been as cooperative and constructive as we could make it." As we said then, our efforts "to take advantage of all criticisms and suggestions" have been earnest and continuing. It has been the intention to develop a proposal that would not threaten other interests or interfere with established governmental programs. As criticisms have been received, adjustments have been proposed in the bill to perfect it.

As pointed out in a July 22, 1957, letter to Senator JAMES E. MURRAY, chairman of the Committee on Interior and Insular Affairs:

"We are convinced that its enactment when perfected will bring enduring appreciation from Americans everywhere not only now but through a long future."

We now believe that the wilderness bill has been so nearly perfected that all who believe in its principles and purposes should work earnestly for its enactment. As legislative processes continue, there may, of course, be further clarifications and improvements, but there need be no further hesitation in urging favorable action.

It is the purpose of this memorandum to point out the changes that have been made and to explain the bill as it now is.

TWO REVISIONS SINCE THE HEARINGS

After the wilderness bill was first introduced, as S. 4013 on June 7, 1956, late in the closing session of the 84th Congress, it was widely circulated and subjected to study and discussion by many groups and specially interested conservationists. As a result, a number of suggestions were made, and when the present bill was introduced in the Senate on February 11, 1957, as S. 1176, significant improvements had been made.

Soon after its introduction, the full text of the bill together with the explanatory remarks then made by Senators HUBERT H. HUMPHREY and RICHARD L. NEUBERGER were reprinted from the CONGRESSIONAL RECORD and widely distributed. A letter accompanying this reprint said to each who received it: "Your own study will be helpful, and an expression of your opinion would be appreciated."

As a result additional suggestions were received. Criticisms revealed misunderstandings and objections. The hearings held in June 1957 revealed still other opportunities to improve the bill. The statements in opposition by the Forest Service and the National Park Service were especially important.

To take advantage of all these suggestions and criticisms we proposed at the time of the hearings a number of changes. These were incorporated in a suggested revised draft. This draft (including further changes suggested after the hearings in connection with a study of the Department reports) appears on pages 270 to 275 of the transcript of the Senate hearings called National Wilderness Preservation Act: Hearings Before the Committee on Interior and Insular Affairs, United States Senate, 85th Congress, 1st session, on S. 1176. (Copies of these hearings are available from Trustees for Conservation.)

This suggested revised draft led to a formal revision of the bill S. 1176, which appeared on December 4, 1957, as committee print No. 1 of the Senate Committee on Interior and Insular Affairs.

Committee print No. 1 immediately proved especially helpful as a means of conferring with critics of the measure and with individual officials in the land-management bureaus who were able to point out further helpful changes.

The result is committee print No. 2 dated February 11, 1958, the anniversary, incidentally, of the 1957 introduction of S. 1176.

THE WILDERNESS BILL AS COMMITTEE PRINT NO. 2

A number of significant changes have resulted from the statement made by the Forest Service at the hearings, and there have been some related changes as regards areas in the national forests. Some of these were outlined in my statement at the hearings. Some of them pertain also to criticisms that others have made. These all are noted as they occur in committee print No. 2, as follows:

1. A paragraph has been added at the end of section 1 (b) from the substitute bill suggested at the hearing by the Forest Service. This paragraph makes plain that the wilderness bill is in keeping with the multiple-use policy, that wilderness preservation is to be one of the multiple-use purposes of the national forests, and that the forests as a whole are to be administered with the general objectives of multiple use and sustained yield. This paragraph does not permit any use of a wilderness area that would destroy it as wilderness but rather emphasizes (1) that there are appropriate multiple uses of a wilderness and (2) that an area of wilderness within a national forest can be part of an overall multiple-use, sustained-yield policy for the whole forest. The wilderness area itself would, of course, include no timber cutting, for example.

2. The listing of the wilderness, wild, roadless, and primitive areas in the national forests has been eliminated. Instead, the first sentence in section 2 (a) has been substituted. This change was suggested in my statement at the hearings, in response to many such suggestions by others. It was incorporated in committee print No. 1 and says that "the system shall include the areas within the national forests classified on June 1, 1957, by the Department of Agriculture or the Forest Service as wilderness, wild, primitive, or roadless." A special proviso to make sure that the primitive areas are carefully studied before being finally and definitely included in the wilderness system has been added as follows:

3. As a result of further discussions on committee print 1 a proviso has been added to section 2 (a) which makes it clearer that the primitive areas are to be studied further, especially as to their boundaries. No primitive area that is determined to be not predominantly of wilderness value is to be included. A related addition, described in paragraph 5 below, provides that these determinations are to be made within 10 years from the date of the act. This is the last paragraph in section 2 (g).

4. In section 2 (f) the provision for an expression of any Congressional opposition to wilderness-area changes has been modified. The bill now requires that such opposition be expressed in a concurrent resolution of both the Senate and the House of Representatives. Formerly, it provided that either House could disapprove such a change. This had been patterned after such precedents as those in the Reorganization Act, but critics have pointed out that as expressed in S. 1176 this could let one House of Congress prevail over both the other House and the Executive. So sponsors of the bill were glad to provide for a concurrent resolution. It has been emphasized that this action is not likely to occur often. It will not be required action. The bill merely provides that within a 120-day period Congress may if it wishes oppose the proposed action. If there is no concurrent resolution passed in the 120-day period the proposed change takes effect. This provision is in the middle of section 2 (f). It was in committee print 1 also.

5. As noted earlier, a paragraph has been added to section 2 (g) requiring that any determinations as to the wilderness value of primitive areas or portions thereof that would lead to their elimination shall be made within 10 years from the date of the act. Any primitive area after 10 years would be included on the same basis as any other unit in the system. Nonwilderness portions, such as roads, if any existed, would be excluded.

6. In the second paragraph of section 3 (a) a declaration has been added, at the suggestion of the Forest Service, making clear that the purposes of the Wilderness bill are within and supplemental to but not in interference with the national forest purposes stated in basic legislation. This was also in committee print 1, and had been suggested in Forest Service testimony at the hearing.

7. The list of specific uses to be prohibited within areas of wilderness has been dropped from section 3 (b)—in line with a Forest Service suggestion made at the time of the hearing. Such use prohibitions are covered by the requirements that "no portion of any area constituting a unit of the system shall be devoted to any form of commercial enterprise except as contemplated by the purposes of this act." This was also in committee print 1.

8. Protection provided in section 3 (b) against roads and mechanization has been clarified so as not to interfere with necessary administrative protection of the area from fires, insects and diseases. There is a categorical prohibition of permanent roads. In addition there is a prohibition of mechanized equipment and of temporary roads or structures "in excess of the minimum required for the administration of the area for the purposes of this act." The language in these provisions has been revised in committee print No. 2.

9. Whereas S. 1176 included prohibitions of mining and reservoir construction in the national wilderness areas (the national forests outside the special wilderness areas would not be affected in any case), a "special provision" in section 3 (c) (2) now allows these upon a Presidential determination that such use "will better serve the interests of the United States." This provision has come from the substitute bill and discussion presented by the Forest Service at the hearings. This was also in committee print No. 1.

10. Section 3 (c) (2) also provides for "such measures as may be found necessary in the control of insects and diseases." This was added in committee print 2.

11. Section 3 (c) (3) revises and clarifies the special provisions of S. 1176 regarding

the "roadless" areas. It safeguards the status quo. This was also in committee print No. 1.

12. Changes as to the Wilderness Preservation Council noted later in this memorandum were in part suggested by testimony of the Forest Service.

CHANGES RESULTING FROM NATIONAL PARK SERVICE COMMENTS

Significant improvements have been made, since S. 1176 was introduced, in provisions regarding National Park System areas. Through cooperative, informal discussions with the Director and others on the staff of the National Park Service the possibility of these improvements has been realized. They are represented in committee print 2, as follows:

1. The listing of the National Park System areas to be included has been eliminated. Instead, the first sentence in section 2 (b) has been substituted. This change was suggested in my statement at the hearings—in response to suggestions by others. It was incorporated in committee print No. 1.

2. A paragraph has been added to section 2 (b) to insure that the provisions of the Wilderness bill will not lower National Park System standards and to reaffirm as to this act these standards as provided in the basic legislation regarding National Park System areas. The statutes are specified. This paragraph is new in committee print No. 2.

3. As a result of informal discussions with National Park Service individuals, section 2 (f) has now been rephrased and clarified so that the possibility of Congressional review of wilderness changes (if the Congress so wishes in a concurrent resolution) applies to all areas established under the act, except that any areas on Indian reservations would not be so subject. The changes are new in committee print No. 2.

4. To avoid an inconsistency revealed in the bill in the course of National Park Service discussions, section 2 (g) has been amended so as to provide for the exclusion of nonwilderness portions of any National Park System (or wildlife refuge) area that might become a part of the System. This amendment is new in committee print No. 2.

5. Changes noted later in this memorandum regarding the Council have been made in part in response to comments from the National Park Service, among others.

FISH AND WILDLIFE SERVICE AREAS

After cooperative discussions with officials in the Fish and Wildlife Service and particularly in the Bureau of Sport Fisheries and Wildlife, the following change has been made:

1. The specific listing of wildlife refuges and ranges has been dropped and instead there has been substituted the first sentence in section 2 (c). This is new in committee print No. 2.

THE INDIANS' WILDERNESS

Significant changes have been made as to any areas of Indian lands that might become a part of the Wilderness System. In substance these changes were proposed at the time of the hearings, but they have been carried further in subsequent drafts. They are intended to meet objections from the Indians. They were worked out in cooperation with representatives of the Association on American Indian Affairs. The purpose is to give the Indians the opportunity of having areas of wilderness included in the System but to make sure that this is done only at their wish and subject to their control.

1. The specific statement has been added: "Such designation shall not change the title of the land or curtail or take away any authority or power of the tribe over its tribal land." This is new in committee print No. 2.

2. An added sentence says that "the Secretary of the Interior is authorized and directed to make any addition, modification, or elimination recommended by any tribe or band with regard to any area of its tribal land." This is new in committee print No. 2.

CALIFORNIA DEPARTMENT OF WATER RESOURCES

Certain changes now incorporated in committee print No. 2 have been made to meet suggestions made by the Department of Water Resources of the State of California. A statement by this department at the hearing added to the considerations in connection with making the changes suggested at the hearings by the Forest Service as regards reservoirs. These changes are those in section 3 (c) (2) already commented on in this memorandum. After this change was made in the posthearing draft and incorporated in committee print No. 1, further consultations with representatives of the California department led to the following further changes:

1. In addition to the reservoir provisions it appeared necessary to make sure that the provision applied also to related installations and accordingly, as recommended by the department's spokesmen, the words "and water-conservation works" were added. This addition is new in committee print No. 2.

2. The California department also recommended the insertion of an added special section which would provide that "nothing in this act shall constitute an express or implied claim on the part of the United States for exemption from State water laws." Following consultations with various others, including those within Government departments as well as legislators and specially interested citizens, this has been added as a clarification that would protect the California Department of Water Resources and any other State or other agency from any misuse of the wilderness bill in connection with water programs. This is in keeping with the purpose of the wilderness bill to provide for wilderness preservation as part of an overall program that includes also economic and other enterprise. The added section reads as follows:

"(5) Nothing in this act shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from State water laws."

This is new in committee print No. 2.

SUGGESTIONS MADE BY INDIVIDUALS

Committee print No. 2 includes a number of improvements made by individuals who have reviewed the bill and have made suggestions, including Harvey Broome, Arthur Carhart, Sigurd Olson, Fred Packard, Joseph Penfold, Hugh Woodward, in addition to many who had earlier made helpful suggestions. These are not pointed out in this memorandum, but they have all been noted on file copies of the bill and can be discussed with any who are interested.

THE WILDERNESS PRESERVATION COUNCIL

While committee print No. 2 has no additional changes as to section 4 and other parts of the bill pertaining to the proposed National Wilderness Preservation Council, it may be noted that the Council and provisions regarding it have been significantly clarified since the introduction of S. 1176, including some modification.

1. S. 1176 had already stated explicitly that the Council "shall have no administrative jurisdiction over any unit in the System nor over any agency that does have such jurisdiction." In committee print No. 2 this is in the last sentence in section 3 (a).

2. Further amendments to avoid any impression that the Council would have any superbureau powers, an erroneous impression, were proposed at the time of the hearings and incorporated in committee print No. 1. These changes provided that all reports on wilderness area changes, etc., will be sent by the land-management agency involved directly to Congress. Only copies of such reports are to be sent to the Council, in order to keep complete the central records as to the System.

3. The makeup of the Council was changed to avoid any apprehension on the part of Federal administrators as to a likelihood of being overridden by a majority of citizen members on the Council. The new make-up of the Council calls for 3 citizen members, instead of 6.

4. Thus the clarified bill as regards the proposed Council makes plain the great opportunity this Council will afford as a central source of information, a focus of interest, and a meeting place for the various land administrators with their differing concerns. At the same time the revised bill makes clear that no administrative agency is to be set up, and no agency between any existing bureaus or departments and Congress.

Mr. NEUBERGER. Mr. President, I commend to the attention of the Senate and the public this revised form of the wilderness bill and this careful analysis and description of the changes that have been made. Certainly the proponents of this legislation have made a conscientious and earnest effort to develop a piece of legislation that is truly of national and broad public interest. The democratic process in arriving at a consensus with due regard for all the interests involved has been strikingly demonstrated. I look forward to the day when this process has been complete and our national determination to see some of our land preserved, unspoiled in its natural condition, has been successfully expressed in national policy. In this year of 1958, all too little presently remains of our original heritage of wilderness solitudes and fastnesses.

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

Mr. NEUBERGER. I am happy to yield to the distinguished Senator from Minnesota, who is the leading sponsor of the proposed legislation.

Mr. HUMPHREY. I express my gratitude and appreciation to the Senator from Oregon for his leadership and direction of this important proposed legislation. The Senator is absolutely correct when he says we have made determined efforts to make whatever alterations are required in the measure. We have attempted to meet the criticisms of the executive branch and to take the constructive suggestions of the organizations which are very vitally concerned with the passage of the bill.

I thank the Senator from Oregon for his efforts. I hope the Committee on Interior and Insular Affairs will take prompt action. I wrote in that spirit to the chairman of the committee during the Easter adjournment, urging that favorable action take place in the committee toward reporting the bill to the Senate.

Mr. NEUBERGER. I thank the Senator from Minnesota for his observations. One of the real pleasures of working with the Senator from Minnesota is that he is open-minded concerning any legislation he advocates. When the executive department, including the Forest Service and the National Park Service, came to us with objections which were essentially valid, the Senator from Minnesota took the lead in

urging that the bill be amended to meet the objections, and I was glad to cooperate with him in that endeavor.

I think the bill now is greatly improved, as a result, and deserves the immediate attention of the Senate.

COMMUNITY FACILITIES ACT OF 1958—AMENDMENTS

Mr. BUSH submitted amendments, intended to be proposed by him in 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.

Mr. KNOWLAND submitted an amendment, intended to be proposed by him to Senate bill 3497, supra, which was ordered to lie on the table and to be printed.

Mr. WATKINS submitted an amendment, intended to be proposed by him to Senate bill 3497, supra, which was ordered to lie on the table and to be printed.

Mr. HUMPHREY. Mr. President, I submit two amendments intended to be proposed by me to the community facilities bill, when that bill is before the Senate for debate and consideration.

One of the amendments would provide loans to finance public-school projects at no interest, and the other would provide for 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 percent.

The VICE PRESIDENT. The amendments will be received, printed, and will lie on the table.

AMENDMENT OF INTERNAL REVENUE CODE RELATING TO CORRECTION OF UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENT

Mr. PAYNE submitted an amendment, intended to be proposed by him to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

BASIC PAY FOR OFFICERS AND ENLISTED MEMBERS OF THE UNIFORMED SERVICES—AMENDMENTS

Mr. THURMOND (for himself, Mr. COTTON, Mr. HOBLITZELL, Mr. HUMPHREY, Mr. KEFAUVER, Mr. YARBOROUGH, Mr. COOPER, Mr. EASTLAND, Mr. SMATHERS, Mr. BEALL, Mr. MANSFIELD, Mr. CARROLL, Mr. MURRAY, Mr. JACKSON, Mr. HENNINGS, Mr. FLANDERS, and Mr. MARTIN of Iowa) submitted amendments, intended to be proposed by them, jointly, to the bill (H. R. 11470) to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes, which were referred to the Committee on Armed Services, and ordered to be printed.

STUDY OF UNITED STATES TEXTILE INDUSTRY—ADDITIONAL COSPONSORS OF RESOLUTION

Mr. COTTON. Mr. President, I ask unanimous consent that the names of Senators SALTONSTALL, KENNEDY, and AIKEN may be added as additional cosponsors of the resolution (S. Res. 287) to authorize the Committee on Interstate and Foreign Commerce to undertake a complete and searching investigation of the textile industry of the United States, submitted by me on yesterday.

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

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

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

By Mr. CASE of New Jersey:

Address on the subject Medical Programs Without Waste, delivered recently in Washington, D. C., by Senator SMITH, of New Jersey.

By Mr. KEFAUVER:

Address delivered by him before Milan, Tenn., Chamber of Commerce on April 12, 1958.

News release and letter by him to Attorney General William P. Rogers, dated April 9, 1958, relating to alleged illegal pricing practices by automobile dealers in the District of Columbia.

By Mr. MORTON:

Article entitled "Dulles' Dedication to Nation," written by Senator SALTONSTALL, and published in the Washington Star of April 9, 1958.

NOTICE OF RESUMED PUBLIC HEARINGS ON S. 921—FREEDOM OF INFORMATION LEGISLATION

Mr. HENNINGS. Mr. President, public hearings will be resumed on S. 921 by the Senate Subcommittee on Constitutional Rights on Wednesday, April 16, 1958, beginning at 10 a. m. in room 357, Senate Office Building, Washington, D. C.

Prior to the Congressional Easter recess, the date of April 16 for resuming freedom of information hearings was set by the subcommittee during a meeting held on April 2 and publicly announced that day.

S. 921 proposes an amendment to section 161 of the Revised Statutes, 5 U. S. C. 22, by adding the following sentence:

This section does not authorize withholding information from the public or limiting the availability of records to the public.

The Attorney General of the United States testified on S. 921 before the subcommittee on March 6, 1958, and has subsequently submitted further written comments. All other Cabinet officers heading executive departments have been invited to testify but each has declined. Most of the witnesses to be heard on April 16 have indicated they favor enactment this year of S. 921.

AN INSPIRING STATEMENT BY THE SECRETARY OF THE TREASURY ON A NATION'S NEED OF PRAYER

Mr. WILEY. Mr. President, in times of great distress Lincoln made the statement, "When I have no other place to go I go to my knees."

Mr. President, in last Friday's Christian Science Monitor there was a most inspiring reprint of a very eloquent statement which had been made to the Washington National Cathedral Association here in our Nation's Capital. The statement, in blank verse, had been composed and was delivered by no less a personage than the Secretary of the Treasury of the United States.

To some it may seem strange that a man who we might ordinarily think would be concerned exclusively with financial figures, assets and liabilities, multibillion-dollar incomes and outgo, would have the time or the inclination not only to speak in this idealistic vein, but to have thought in that vein.

This is not, however, an unusual circumstance. The facts will show that a great many men in public life, like our able Secretary of the Treasury, think deeply, write deeply, and speak deeply on the things of the spirit.

He should be commended for the character which he demonstrated. The man who composed these lines is a man worthy of our respect and highest admiration.

Mr. President, I ask unanimous consent that a few of the lines from A Nation Needs to Pray, as written by the Secretary of the Treasury of the United States, the Honorable Robert B. Anderson, and as published in the April 11 issue of the Christian Science Monitor, be printed in the RECORD at this point.

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

He began:

"A nation needs to pray:
For things it has—for things it has not earned."

He spoke of the Nation's need to pray "for what will come out of a time unknowingly beyond * * * and to be spared confusion."

"A nation needs to pray:
That in humility we see that greatness
Is not measured by industrial grandeur,
Or destiny achieved by things we touch,
By things produced, nor things consumed,
Nor things we set afloat upon the sea,
Nor send into the air,
Nor, delving down, gouged out of earth;
Nor is it known by tower set on tower
Groping for a finite place in infinity
Nor by any other things
That man may proudly say
Were made by mind or hand."

Speaking of man's preoccupation with "things called institutions * * * customs of long use * * * blinding us to that much would enlarge," the Secretary continued:

"How preoccupied is man with progress;

With new homes and factories, devices that spare work,
Machines that humble speed and challenge light,
And a hundred thousand things to use, or be used by.
How right it is to give a proper place
To those material things which free the mind,
And point indeed to other worlds beyond,
Yet all man's goods have value only in regard
To man's real worth as man."

He went on to enumerate the many things which seem to divide while mankind searches for unity:

"From out of all that troubles us,
Toward solutions that clarify and not confound us
Where shall we seek the answer?
How shall peace be made a practice and not a principle?
How make justice a world reality?
How minimize the frailties of man's rule
And live by rule of law?

"How shall we reckon with the forces of energy,
When for the first time in man's history,
We have in sight the possibility of
Freeing man to exert his own creativeness,
Rather than to toil under the dictatorship
Of need and want * * *

"Have we the means and the ability to
Avoid the use of energy to destroy?"

The Secretary went on to suggest:

"Time might provide the leven for us all,
But we do not have the time to wait;
Too closely press the possibilities of destruction;
Too cumulative are the consequences of continued waste;
Too fragile are the qualities of mortality.

"With all these imponderables,
Beyond the scope of mind and hand,
Our greatest need is:
For a wisdom that transcends our own;
For a devotion that insures
There is no instant of neglect
For that, wherein is held
The fate of all. This Nation needs to pray. * * *

"Throughout our most enlightened past,
When needs were great,
Men built retreats where they might be
Alone with Deity. Today, they
Stand as monuments to moments
When we reached for that beyond
Our grasp. They are our shrines. * * *

And concluding:

"So may it be that we, and all the host
Who follow on, find here the solace
And the way through man's recurring doubts,
To peace, and what endures in souls,
That make of us the children of immortal heritage;
And here come to believe that earth
Will know its destiny, and man his purpose,
When each shall pray
'Thy will be done.'"

TENTH ANNIVERSARY OF THE WORLD HEALTH ORGANIZATION

Mr. WILEY. Mr. President, last Monday, April 7, an important and inspiring anniversary was marked throughout the world. I refer to the 10th anniversary of the World Health Organization. This agency, one of the specialized organizations of the United Nations, has contributed immeasurably to the well-being of mankind. Eighty-eight nations serve in it—for man's betterment, for healing, for service.

Last Monday, of course, the Congress was observing the Easter recess. So, but for the fact that most Members of the Senate and House were absent from Washington, I know that there would have been many heartfelt expressions from Members of the Congress in tribute to this outstanding organization—one of the most constructive on the international scene. Later this month, Members of Congress will, however, gather in Washington in an afternoon and evening assembly to pay tribute to WHO. Leaders in American public health, physicians and laymen, diplomats and foreign policy spokesmen, officials, and private citizens will join at that time to celebrate this decade of WHO achievement.

Commencing on May 26 and 27, the General Assembly of WHO will open its anniversary celebration in Minneapolis. On May 28, there will be the formal opening of the 11th World Health Assembly there. It will continue for 3 weeks thereafter. It will receive the Director General's report of the past year and adopt a program and budget for the coming year.

I send to the desk several items which I believe will be of interest.

The first is an editorial from last Sunday's Milwaukee Journal in tribute to WHO.

The second is a fine article which was published in the April 6 issue of the New York Herald Tribune describing the April 7 observance of World Health Day.

RELEASE FROM WISCONSIN HEALTH OFFICER

The third is a statement issued by Dr. Carl Neupert, Wisconsin's State health officer, on the occasion of that day. Dr. Neupert, I may say, served as a member of the United States delegation to the sixth World Health Assembly in the capacity as an advisor in 1953.

OUTSTANDING MEMBERSHIP OF UNITED STATES DELEGATIONS

The fourth is an overall list of the distinguished Americans who have, down through the years, served as members of United States delegations to the International Health Conference and World Health Assemblies—the 1st through the 10th. On this list are literally a galaxy of great names, including that of the Vice President of the United States, leading Members of the Congress, officials of the State Department, and the Department of Health, Education, and Welfare, distinguished leaders of the American Medical Association, and able, dedicated personages from a great many States of the Union.

THE TOILERS IN THE LORD'S VINEYARDS

The high caliber of men and women we have sent to WHO bespeaks our high and warm regard for it. I mean not only the members of the official delegations, but also the medical workers in the Lord's vineyards, toiling in the four corners of the world, in every kind of climate, under every kind of circumstance.

For instance, Dr. Otto Mortensen, assistant dean of the University of Wisconsin Medical School, is now on a year's tour of duty in South America. Dean John Z. Bowers, of the University Medical School, served in India and elsewhere.

To this roster could be added many other top names from my own and the other States of the Union.

I ask unanimous consent for the printing of the aforementioned articles in the RECORD.

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

[From the Milwaukee Journal of April 13, 1958]

A FRUITFUL DECADE FOR WHO

In a decade with few silver linings, the World Health Organization (WHO) has compiled a bright record. Organized in New York on April 7, 1948, it marks its 10th anniversary with 85 member nations and 3 associates.

It has provided, for the first time, an almost worldwide organization endowed with the authority to direct and coordinate health work, and with the means to make available to all countries the knowledge and experience needed if their resources for the improvement of health are to be put to best use.

In a report on the first 10 years of WHO in the current issue of the United Nations World, M. G. Candau, director general, lists these accomplishments:

Malaria is retreating everywhere and its complete elimination is no longer a distant goal. Remarkable success achieved by mass campaigns against yaws confirms the practicability of virtually eradicating venereal diseases. Through mass vaccination campaigns and new drugs, excellent results are being achieved in reducing tuberculosis.

Good results are being obtained with antibiotics in mass campaigns against trachoma and other eye infections. Maternal and child health standards are improving. Universal standards for pharmaceutical preparations are being established. New international sanitary regulations provide an effective and uniform means of checking spread of disease across frontiers and have eased trade and travel.

WHO is not a direct action agency. It works to strengthen national health services, exchange scientific information, stimulate and coordinate research and raise standards of education and training for all types of health workers. Since 1948, it has awarded 6,396 fellowships for study abroad to health workers from 149 countries and territories.

WHO's efforts are little needed, and its projects are little seen, in countries like the United States. In Candau's words: "WHO has helped reduce the gap that separates the people of the well-to-do countries from their less fortunate brethren."

Looking ahead, WHO sees much to do. Candau reports that it is already collaborating with governments on the great medical problems of the future. He lists these as the cardiovascular diseases, cancer, diabetes, arthritis, rheumatism, influenza, and poliomyelitis; the treatment and the prevention of emotional and mental diseases; occupational health; food and drug services, and the health aspects of nuclear energy.

The 10-year record makes encouraging reading. WHO is carrying out its pledge of dedication to health (stated in the preamble of its constitution) as "a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity."

[From the New York Herald Tribune of April 6, 1958]

WORLD HEALTH ORGANIZATION TO MARK ITS 10TH ANNIVERSARY TOMORROW—WHAT WHO DOES TO AID THE WORLD—AGENCY OF U. N. CUTS EPIDEMICS

A man dosed with barbiturates and aspirin for his splitting headache rode from Mexico to New York City in 1947, bringing with him the dreaded smallpox. It took an army of doctors and nurses, equipped with syringes and vaccine, to inoculate the city against the disease. The cost of the one-man invasion, even though no New Yorker was infected, was in the millions.

The episode shows how vulnerable are the most advanced countries—especially now with air travel—to disease that exists anywhere in the world.

In the forefront of the fight against the diseases of the world is the World Health Organization, which marks its 10th anniversary tomorrow. Coincidentally, tomorrow is also World Health Day.

AGENCY OF U. N.

When WHO was formed as a specialized agency of the United Nations, it was charged with protecting the health of all peoples. It does its job by working with the national health services to prevent infectious diseases such as malaria, tuberculosis, and syphilis, and by training national health workers.

Much more than merely protecting persons against disease, WHO strives for the ultimate in health—"a state of complete physical, mental, and social well-being." However, its main effort is with the physical diseases.

This year, the organization will spend $13,500,000 for its programs. One third of this amount comes from the United States. But the money is not just a donation. We get it back in many ways, even though America is among the healthiest nations in the world.

THE ASIAN FLU

Perhaps the most dramatic instance of this return was the recent Asian influenza epidemic which swept its way around the world from China last year. Thanks to the warning system of WHO, American scientists had a half year to prepare for its coming and obtained samples of the virus.

This enabled virologists to prepare the vaccine that saved the United States many times more than its annual contribution to the WHO budget.

Another example of how America benefits from good health around the world—particularly in South America—can be seen from the fact that the cost of a pound of coffee here is a few cents higher than it would be if there were no malaria down there.

WHO officials said that the absenteeism caused by malaria reduces the productivity of coffee workers, adding those few cents to the coffee.

Cholera, typhus, smallpox, plague, relapsing fever, and yellow fever—the major pestilences of past generations—have all declined dramatically in severity during the last decade, thanks in part to WHO's efforts.

Among the other services provided by WHO are establishing quarantine standards, international standards for drugs and health statistics, and technical publications. It also convenes medical conferences on major health problems, including mental health, around the world, and supports research in a number of fields of medicine.

WISCONSIN'S HEALTH

(By Carl N. Neupert, M. D., State health officer)

We in Wisconsin will join people all over the world in celebrating a milestone in advancing good health next Monday.

That day, April 7, marks the 10th anniversary of the World Health Organization. You say "So what?" The answer concerns everyone in our State, for this member of the United Nations family has probably done more to improve the health of people and thereby advance international understanding and peace than any other U. N. body.

By way of its radio warning service WHO informs all health administrations, ports, and airports of epidemic disease anywhere in the world. Its universally valid health regulations governing international travel and trade by land, sea, and air as approved by each country protect us in countless ways.

WHO assists member countries on health matters through its clearinghouse for scientific information. Its aid in providing international doctors, nurses, and health teachers on request, to work alongside health personnel in these countries continues to have a tremendous impact for good, especially in the less fortunate countries. Both of these services affect us all directly.

The 10th anniversary of WHO's founding holds a special meaning for us this year. For the first time WHO meets in this country, in our neighboring Minneapolis in fact, in a 3-week session beginning May 28.

Though we may not be aware of it, WHO—inspired by its far-reaching ideals and by its accomplishments of the last 10 years—gives real promise of a healthier today and tomorrow for us all, as well as being one of our most potent forces for promoting peace in our troubled world.

MEMBERS OF UNITED STATES DELEGATIONS TO INTERNATIONAL HEALTH CONFERENCE AND WORLD HEALTH ASSEMBLIES—FIRST THROUGH TENTH

CALIFORNIA

Dr. Melvin A. Casberg, Mission Drive, Solvang, Calif., 5.

Dr. George M. Foster, Department of Anthropology, University of California, Berkeley, Calif., 5.

Dr. Wilton L. Halverson, School of Public Health, University of California, Los Angeles, Calif., 1.

Dr. Edward S. Rogers, professor of public health and medical administration, School of Public Health, University of California, Berkeley, Calif., 2.

Mr. Frank M. Stead, chief, Division of Environmental Sanitation, California State Department of Public Health, San Francisco, Calif., 7.

Miss Ann Steffen, registered nurse (care of Mrs. Lulu Wolf Hassenplug), dean, School of Nursing, University of California, Los Angeles campus, Los Angeles, Calif., 4.

COLORADO

Dr. Roy Cleere, executive director, Colorado State Department of Health, Denver, Colo., 4.

CONNECTICUT

Dr. James R. Miller, 7 Banbury Lane, West Hartford 7, Conn., 1, 2.

Mrs. Agnes Ohlson, State Board of Nurse Examiners, State Office Building Annex, Hartford, Conn., 8.

DISTRICT OF COLUMBIA

Mr. Ward P. Allen, room 6171, Department of State, Washington, D. C., IHC.

Hon. WILLIAM H. AVERY, House of Representatives, room 234, Old House Office Building, Washington, D. C., 8.

Capt. R. W. Babione. Armed Forces Epidemiological Board, Office of the Surgeon General, Department of the Army, Washington, D. C., 2.

Dr. Frederick J. Brady, program officer, Bureau of State Services, Public Health Service, Department of Health, Education, and Welfare, Washington, D. C., 3, 4, 5, 6, 7, and 8.

Brig. Gen. Shelden S. Brownton, USAF (MC), Director of Staff, Office of the Assistant Secretary of Defense, Health and Medical, Department of Defense, room 3E 755, the Pentagon, Washington, D. C., 7.

Dr. Leroy E. Burney, Surgeon General, Public Health Service, Department of Health, Education, and Welfare, Washington, D. C., 8, 10.

Mr. Howard B. Calderwood, Office of Economic and Social Affairs, Department of State, Washington, D. C., IHC, 1st through 10th.

Col. Robert L. Callison, Office of the Surgeon General, Department of the Army, the Pentagon, Washington, D. C., 10.

Dr. Eugene P. Campbell, Chief, Public Health Division, International Cooperation Administration, 806 Connecticut Avenue NW., Washington, D. C., 10.

Mr. Nelson H. Cruikshank, Social Security Director, AFL–CIO, room 307, 815 16th Street NW., Washington, D. C., 1.

Dr. James A. Doull, medical director, Leonard Wood Memorial, 1832 M Street NW., Washington, D. C., IHC, 1.

Mrs. India Edwards, director, New York State Department of Commerce, 1026 17th Street NW., Washington, D. C., 4.

Hon. ALLEN J. ELLENDER, United States Senate, room 245, Senate Office Building, Washington, D. C., 2.

Hon. IVOR D. FENTON, House of Representatives, room 1410, New House Office Building, Washington, D. C., 1.

Dr. Robert P. Fischelis, secretary-general manager, American Pharmaceutical Association, 2215 Constitution Avenue NW., Washington, D. C., IHC.

Mrs. Marcia M. Fleming, Office of the Assistant Legal Adviser for the United Nations Affairs, Department of State, Washington, D. C., IHC.

Mr. Wesley E. Gilbertson, Deputy Chief, Division of Sanitary Engineering Services, Public Health Service, Department of Health, Education, and Welfare, Washington, D. C., 4.

Hon. JOHN E. FOGARTY, House of Representatives, room 1133, New House Office Building, Washington, D. C. (when Congress is not in session, 200 Customhouse Building, Providence, R. I.), 10.

Mr. Leo W. Garvey, Office of International Conferences, Department of State, Washington, D. C., 10.

Hon. WAYNE L. HAYS, House of Representatives, room 1007, New House Office Building, Washington, D. C., 6.

Mr. Mark D. Hollis, Chief, Division of Sanitary Engineering Services, Public Health Service, Department of Health, Education, and Welfare, Washington, D. C., 3.

Dr. H. van Zile Hyde, Chief, Division of International Health, Public Health Service, Department of Health, Education, and Welfare, Washington, D. C., IHC, 1 through 7, 9, 10 (also present at 8 as representative of Executive Board).

Hon. WALTER H. JUDD, House of Representatives, room 1225, New House Office Building, Washington, D. C., 3.

Mrs. Lucile Petry Leone, chief nurse officer, Public Health Service, Department of Health, Education, and Welfare, Washington, D. C., 1.

Mr. John Maktos, Assistant Legal Adviser for Near Eastern, South Asian, and African Affairs, Department of State, Washington, D. C., IHC.

Dr. Aims C. McGuinness, special assistant for health and medical affairs, Department of Health, Education, and Welfare, Washington, D. C., 10.

Hon. THOMAS E. MORGAN, House of Representatives, room 502, Old House Office Building, Washington, D. C., 4, 8.

Mr. Otis E. Mulliken, officer in charge, United Nations Social Affairs, Office of United Nations Economic and Social Affairs, Department of State, Washington, D. C., IHC.

Mr. RICHARD N. NIXON, the Vice President, United States of America, Washington, D. C., 4.

Dr. Arthur S. Osborne, International Health Representative, Division of International Health, Public Health Service, Department of Health, Education, and Welfare, Washington, D. C., 8.

Mr. Alvin A. Roseman, Director of Public Services, International Cooperation Administration, 806 Connecticut Avenue NW., Washington, D. C., IHC, 1, 3.

Mr. Durward V. Sandifer, Foreign Service Selection Board, Department of State, Washington, D. C., IHC, 1.

Dr. Calvin B. Spencer, Chief, Division of Foreign Quarantine, Public Health Service, Department of Health, Education, and Welfare, Washington, D. C., 9.

Miss Mary E. Switzer, Director, Office of Vocational Rehabilitation, Department of Health, Education, and Welfare, Washington, D. C., IHC, 2.

Miss Ruth G. Taylor, registered nurse, Chief, Nursing Section, Division of Health Services, Children's Bureau, Department of Health, Education, and Welfare, Washington, D. C., 5.

Mr. Robert Olaf Waring, Office of International Administration, Department of State, Washington, D. C., 10.

Mr. Francis O. Wilcox, Assistant Secretary for International Organization Affairs, Department of State, Washington, D. C., 9.

Dr. Charles L. Williams, Jr., Assistant Chief, Public Health Division, International Cooperation Administration, 806 Connecticut Avenue NW., Washington, D. C., 8.

Hon. CHARLES A. WOLVERTON, House of Representatives, room 1336, New House Office Office Building, Washington, D. C., 10.

Mr. Laurence Wyatt, International Health Representative, Division of International Health, Public Health Service, Department of Health, Education, and Welfare, Washington, D. C., 7, 10.

FLORIDA

Mr. Donald C. Blaisdell, 912 Northeast Second Street, Gainesville, Fla., 5.

Mr. David B. Lee, Director, Bureau of Sanitary Engineering State Department of Health, Jacksonville, Fla., 2.

Dr. James R. Rueling, American Medical Association, Lake Butler Estates, Windermere, Fla., 9, 10.

GEORGIA

Dr. Thomas F. Sellers, director, Georgia Department of Public Health, State Office Building, Atlanta, Ga., 5.

Mrs. Nell Hodgson Woodruff, 3640 Tuxedo Road, Atlanta, Ga., 7.

ILLINOIS

Dr. Lowell T. Coggeshall, dean, Division of Biological Sciences, University of Chicago, 950 East 59th Street, Chicago, Ill., 9.

Dr. Harold Hillenbrand, secretary, American Dental Association, 222 East Superior Street, Chicago, Ill., 7.

Dr. George Lull, secretary and general manager, American Medical Association, 535 North Dearborn Street, Chicago, Ill., IHC.

Dr. Robert T. Stormont, secretary, council on pharmacy and chemistry, American Medical Association, 535 North Dearborn Street, Chicago, Ill., 6.

Mrs. Louise Wright, Midwest director, Institute for International Education, 116 South Michigan Avenue, Chicago, Ill., 2.

INDIANA

Mr. Blucher A. Poole, chief, Bureau of Environment Sanitation, State Board of Health, Indianapolis, Ind., 10.

KANSAS

Dr. Franklin D. Murphy, chancellor, University of Kansas, Lawrence, Kans., 6.

LOUISIANA

Dr. Albert W. Dent, president, Dillard University, New Orleans, La., 1, 8.

MAINE

Dr. Paul F. Russell, Westover, North Edgecomb, Maine, 1.

MARYLAND

Dr. Edwin L. Crosby, executive director, American Hospital Association, Baltimore, Md., 10.

Dr. Robert E. Felix, director, National Institute of Mental Health, National Institutes of Health, Bethesda, Md., 2.

Dr. Morton M. Kramer, chief, Biometrics Branch, National Institute of Mental Health, National Institutes of Health, Bethesda, Md., 1.

Dr. Michael B. Shimkin, National Cancer Institute, National Institutes of Health, Bethesda, Md., IHC.

Dr. Ernest L. Stebbins, director, School of Hygiene and Public Health, Johns Hopkins University, Baltimore, Md., 10.

Capt. Robert I. Ware, executive officer, Naval Medical School, Naval Medical Center, Bethesda, Md., 8.

Mrs. Sara Whitehurst (John L.) 4101 Greenway, Baltimore, Md., 3.

Dr. Louis L. Williams, Jr., 105 East Lenox Street, Chevy Chase, Md., IHC.

Dr. Abel Wolman, professor of sanitary engineering, Johns Hopkins School of Public Health and Hygiene, Johns Hopkins University, 203 Whitehead Hall, Baltimore, Md., IHC, 1.

MASSACHUSETTS

Dr. Rolf Eliassen, professor of sanitary engineering, Massachusetts Institute of Technology, Cambridge, Mass., 5.

Dr. Martha M. Eliot, professor of maternal and child health, Harvard School of Public Health, 55 Shattuck Street, Boston, Mass., IHC, 1.

Dr. Chester S. Keefer, Evans Memorial Hospital, 65 East Newton Street, Boston, Mass., 7.

Mrs. Viola R. Pinanski, member, National Advisory Neurological Diseases and Blindness Council, National Institute of Health, Brookline, Mass., 10.

Miss Ruth Sleeper, registered nurse, director, School of Nursing and Nursing Services, Massachusetts General Hospital, Boston, Mass., 6.

MICHIGAN

Miss Katharine E. Fayville, dean, College of Nursing, Wayne University, Detroit, Mich., 2.

Dr. David French, dean, Flynt College, University of Michigan, Flynt, Mich., 8.

Dr. Vlado A. Getting, School of Public Health, University of Michigan, Ann Arbor, Mich., 3.

MINNESOTA

Dr. Gaylord Anderson, director, School of Public Health, University of Minnesota, Minneapolis, Minn., 4.

Dr. Harold S. Diehl, dean, University of Minnesota, Medical School, Minneapolis, Minn., 7, 8.

Dr. Charles W. Mayo, chairman, Mayo Association, Mayo Clinic, Rochester, Minn., 8, 9.

MISSOURI

Dr. Otto Brandhorst, secretary, American College of Dentists, Lindell Boulevard, St. Louis, Mo., 8.

NEBRASKA

Dr. Theodore C. Bedwell, Jr., deputy surgeon, Strategic Air Command, Offutt Air Force Base, Nebr., 9.

NEW JERSEY

Dr. Daniel Bergsma, state commissioner of health, Trenton, N. J., 9.

Dr. Leonard A. Scheele, president, Warner-Chilcott Laboratory, 201 Tabor Road, Morris Plains, N. J., 2 through 7 and 9.

NEW YORK

Dr. Frank G. Boudreau, director, Milbank Memorial Fund, 40 Wall Street, New York, N. Y., IHC.

Dr. Francis P. Corrigan, 531 East 20th Street, New York, N. Y., 1.

Mrs. Fannie Hurst Danielson (Jacques S.), 1 West 67th Street, New York, N. Y., 5.

Hon. Herbert H. Lehman, 41 East 57th Street, New York, N. Y., 4.

Mrs. Adele R. Levy, New York Fund for Children, Inc., 100 Park Avenue, New York, N. Y., 1.

Miss Pearl McIver, executive secretary, American Journal of Nursing Co., 2 Park Avenue, New York, N. Y., 9.

Dr. Lloyd C. Miller, director of revision, Pharmacopoeia of the United States of America, 46 Park Avenue, New York, N. Y., 5.

Dr. James E. Perkins, managing director, National Tuberculosis Association, 1790 Broadway, New York, N. Y., 1.

Dr. Joseph L. Pfeifer, 58 Bushwick Avenue, Brooklyn, N. Y., 2.

Dr. Knud Stowman, 186 Beach Street, City Island, N. Y., 2 through 6.

Mr. Kenneth S. Watson, consultant, Water Management and Waste Control, General Electric Co., Schenectady, N. Y., 9.

Mrs. Elimre B. Wickenden, registered nurse, Five the Byway, Bronxville, N. Y., IHC.

NORTH CAROLINA

Dr. Edward G. McGavran, dean, School of Public Health, University of North Carolina, Chapel Hill, N. C., 5.

Dr. J. W. R. Norton, state health officer Raleigh, N. C., 8.

NORTH DAKOTA

Dr. Leonard W. Larson, member, board of trustees, American Medical Association, 221 Fifth Street, Bismark, N. Dak., 5, 6.

OHIO

Dr. Edward J. McCormick, American Medical Association, room 501, Ohio Building, Toledo, Ohio, 3.

Dr. Richard S. Meiling, Ohio State University Hospital, Columbus, Ohio, 3, 4.

OREGON

Mr. Homer D. Angell, 2931 Southeast Hawthorne Boulevard, Portland, Oreg, 4, 6.

Dr. Harold M. Erickson, State Health Officer, State Board of Health, 1400 Southwest Fifth Avenue, State Office Building, Portland, Oreg., 7.

PENNSYLVANIA

Dr. Lester W. Burket, dean, Dental School, University of Pennsylvania, Philadelphia, Pa.

Dr. John J. Hanlon, Director, Public Health Services, Department of Public Health, room 531, City Hall Annex, Philadelphia, Pa., 7.

Dr. Thomas Parran, dean, Graduate School of Public Health, University of Pittsburgh, Pittsburgh, Pa., IHC, 1.

Dr. Thomas F. Whayne, 316 Windine Way, Merion Station, Pa., 1, 6.

VIRGINIA

Mr. Joseph S. Henderson, 514 Highland Road, Pine Ridge, Fairfax, Va., 5.

Dr. Henry B. Mulholland, assistant dean, School of Medicine, University of Virginia, Charlottesville, Va., 4.

WISCONSIN

Dr. Carl N. Neupert, State Health Officer, State Board of Health, Madison, Wis., 6.

WYOMING

Dr. Franklin D. Yoder, Director of Public Health, State Department of Public Health, Cheyenne, Wyo., 10.

FOREIGN POSTS

Mr. Wendell B. Cotte, American Embassy, Helsinki, Finland, 9.

Miss Carol C. Laise, American Embassy, New Delhi, India, 6, 7.

Mr. George M. Ingram, Director of Administration, American Embassy, Baghdad, Iraq, 2, 4.

Mr. John D. Tomlinson, Port Elizabeth, Cape Province, South Africa, 1.

Mr. David H. Popper, Deputy United States Representative for International Organiza-

tions, American Consulate General, Geneva, Switzerland, 10.

Dr. Richard K. C. Lee, president, Board of Health, Honolulu, Territory of Hawaii, 10.

EXTENSION OF THE EAST FRONT OF THE CAPITOL

Mr. ROBERTSON. Mr. President, on March 11 I asked the Senate to accept an amendment to an appropriation bill which would have prevented the spending of funds for altering the east front of the Capitol until Members of this body had had an opportunity to act one way or the other on S. 2883, a bill which is on the calendar and which deals with that subject along with the Clark amendment, of which I am a joint sponsor.

In my remarks I said that I took the unusual action of seeking to add legislation to an appropriation bill on the ground that the east front changes had never been authorized except by a rider on an appropriation bill, and it therefore seemed not unreasonable to halt the work in the same manner in which it was authorized. I said also that my only purpose was to assure the Senate an opportunity to act on the merits of the separate bill which was on the calendar.

I now invite attention to the fact that S. 2883 still is on the calendar without any date set for its consideration, although Members of the Senate have continued to receive numerous protests from individual citizens and from groups objecting to the proposed alteration of this historic structure.

As evidence of the continuing interest in the subject, I ask unanimous consent to have printed in the RECORD at this point a letter which I have received, signed by 15 members of the faculty of the department of architecture of the Virginia Polytechnic Institute, all of whom are strongly opposed to having the east front moved forward, and who believe that repairs to the existing wall are feasible and would be preferable.

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

VIRGINIA POLYTECHNIC INSTITUTE,
DEPARTMENT OF ARCHITECTURE,
Blacksburg, Va., April 2, 1958.

The Honorable A. WILLIS ROBERTSON,
United States Senate,
Washington, D. C.

DEAR SENATOR ROBERTSON: The faculty of the department of architecture of the Virginia Polytechnic Institute notes with satisfaction your opposition to the proposed alteration of the historic east front of the Capitol. We wish to add our support to the growing body of informed opinion urging the preservation of the present Capitol Building in Washington.

It hardly seems necessary to point out to you that for an expenditure much smaller than that required for the proposed alteration, the needed repairs could be made to the present front and more ample additional space provided elsewhere in a new, modern structure.

We agree not only that the east front is part of our national architectural heritage, but that the Capitol in its present form has become a symbol of democracy for all our people and for the peoples of the free world. It is, we believe, inconceivable that it should be architecturally altered at great expense on the pretext of its state of disrepair or of need for additional space.

We greatly appreciate your efforts to preserve the historic architectural character of the Capitol.

Respectfully,

Francis N. Atkins, Oscar J. Blake, Leonard J. Currie, Dean Carter, Hershel A. Elarth, William L. Favrao, George P. Frazer, Bertram Y. Kinzey, Jr., Peter R. Norris, T. William Patterson, John F. Poulton, Richard R. Soderlind, William P. Williams, Henry H. Wiss, Charles S. Worley, Jr.

INADEQUACY OF AMERICAN PARTICIPATION IN INTERNATIONAL TRADE FAIR

Mr. THYE. Mr. President, I picked up the Chicago Daily News last Saturday and observed the headline of one article was "Russ Steal Show at the Tokyo Fair."

Mr. President, this is not the first time the United States has failed in its presentations at the International Trade Fairs. I recall a day in November, 1953, when I attended the International Trade Fair in Bangkok. It was at that time I received a first-hand look at the dramatic comparison between what the Russians were doing in this important area of propaganda and what the United States was doing.

In 1953, at Bangkok, the Soviet Union was defeating the United States in portraying their accomplishments. They were effective, they had planned for the fair, and they knew exactly what they were doing. The United States, on the other hand, did not have an effective presentation of American life. We displayed obsolete items. We relied too much upon past prestige and did not do a good job of presenting current activity. We did not project the United States into the future. The plain truth of the matter is that Russia was stimulating imagination and interest on the part of the people who visited the Russian exhibit. The United States was not doing so in the case of those who saw the American exhibit.

When I returned from Bangkok in 1953, I decided to do all I could to correct the situation. I spoke on the Senate floor at that time and received the support of the Senate in increasing appropriations for this vitally important program.

I have been encouraged in recent years about the improvement in United States participation. I can recall the effective program we had at the Bogota fair in South America. We were effective in Rome last year.

However, when in Chicago last Saturday I saw the story in the Chicago Daily News, it disturbed me a great deal. I ask unanimous consent that the article entitled "Russ Steal Show at the Tokyo Fair" be printed in the RECORD following my remarks.

The article points out that once again we have apparently fallen behind in competing with Russia in displaying American life at the international trade fairs. This we cannot afford.

Within 48 hours the great Brussels International Exposition will open its doors. Before it closes in the fall, millions of people will have visited the exhibits and programs provided by the various nations.

Either consciously or unconsciously the vast majority of these people will compare the United States with Russia. Whether we like it or not, the Brussels Exposition will be another battleground in the propaganda battle between the United States and Russia.

I have supported added appropriations for the Brussels Fair along with added appropriations for the international trade fairs. However, we must be constantly alert to guarantee the best effort at all times. The Senate must be concerned with this program which can be so effective in projecting our American life to uncommitted people throughout the world.

I hope that the article in the Chicago Daily News does not report what is generally true of United States participation, and I certainly trust that the story at Brussels will be one of success.

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

RUSS STEAL SHOW AT THE TOKYO FAIR—PAVILION DWARFS THAT OF UNITED STATES; SPUTNIK II MODEL BIG ATTRACTION

OSAKA, JAPAN.—Russia stole the show today at the opening of the fifth international trade fair in Japan.

The U. S. S. R. pavilion is bigger, better and more spectacular than those of the United States and the 22 other nations participating.

The Russian exhibits, with a model of Sputnik II and the dog Laika inside it, are the center of conversation. Beep-beep music played while a huge globe showed the paths of the two Russian sputniks around it.

While Russian radios, TV sets and textiles are inferior to American brands, the Russians showed more of all types of goods in their first display in the Japanese trade fair.

Walter Williams, undersecretary of the United States Department of Commerce, said the United States "considered putting a model of the Explorer satellite in the United States exhibits, but it was decided not to make a propaganda contest out of this trade fair."

The world's fair opening in Brussels, Belgium, next week definitely will be a propaganda battle between the United States and the U. S. S. R.

The Russians not only put on a more spectacular display but they put out more attractive brochures describing it.

The Soviet booklets are lavish photographic albums in black and white and color, with text in Japanese.

The United States catalogs of American exhibitors are mimeographed sheets stapled together, with the text in English only.

The highlight of the American exhibition is the ultramodern design of the pavilion and a cotton style show with live Japanese models.

THE OLD WORKHORSE

Mr. THYE. Mr. President, I request unanimous consent to insert in today's RECORD a poem written by Mr. Clark Mollenhoff entitled "The Old Workhorse." The poem appeared in the Winter 1957 edition of the Co-op Grain Quarterly, an official publication of the National Federation of Grain Cooperatives.

Such a poem could be written or appreciated only by someone who has lived and worked on a farm in those days

when the horse was our main source of power. As I read the poem I could not help but feel that Mr. Mollenhoff had expressed my own sentimental feeling for horses. Somehow I have not been able to tear down the stables on my own farm, because of the many memories associated with them.

Many Senators know Clark Mollenhoff. They have seen him many times in the press gallery and in committee rooms around the Capitol. As Senators know, he is a most effective representative for Cowles publications.

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

THE OLD WORKHORSE

A currycomb, an old checkrein,
The curb bit for the bay—
The farm horse ghosts still linger there
In shadows bare and gray.

The big black's hair is matted in
The brush upon the wall,
The mane hair of a young roan mare
Clings to the single stall.

The unused harness rots away,
And hames are turned to rust.
The empty manger gathers chaff;
The grain box fills with dust.

The doubletrees and neck yoke lie
Unnoticed in the shed,
Except when curious children's hands
Stir memory of the dead.

The massive-bodied sorrels and roans
No longer fill the stalls;
The quiet is no longer pierced
With trumpet stallion calls.

Some stalls are rigged for feeding calves,
Pigs desecrate the box
Where broad-beamed Belgians stood and munched
With straw up to their hocks.

On down the road, 5 miles or so,
An old team walks the lane—
The remnant of the massive power
That plowed this rolling plain.

DAIRY PRICE SUPPORTS

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a letter which I have received from Mr. Leonard F. Barta, of Northfield, Minn., a young man whom I know personally. The letter deals with the subject of dairy-price supports. I urge my colleagues to read this letter, because it is worthy of their attention.

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

NORTHFIELD, MINN., *April 1, 1958.*

DEAR SENATOR: I am a small farmer here in the community of Northfield. I own an 81½-acre farm (the kind our President is attempting to eliminate). In the past I have had to rent extra land that was available in small patches here and there around Northfield. This I had to do in order to be able to make ends meet ends, and now our beloved President and his most dear friend, Secretary Benson, succeeded in vetoing the bill to freeze farm-price supports for milk and other commodities. He was to have said that to freeze the prices at 1957 level would do more harm than good to the small farmer and that he is thinking of the small farmer. Now do you personally believe that to bring our milk checks down about $50 or $60 a month is going to make a more prosperous small or so-called family farmer?

I have been farming for myself and family (wife and two daughters ages 5 and 6) for the past 8 years, and in order to be able to give them a little enjoyment out of life I have had to produce more and more every year these past few years in order to be able to keep up with rising prices of what we buy, such as skyrocketing prices of machinery.

Surely the Republican Party doesn't want dairy farmers to go in raising hogs and beef just because the prices look good now, or does it?

Mr. Senator, I am a Democrat but in the last election in which you were up for election and which was the first election in which I was eligible to vote, I voted in your favor. I felt that you were very well capable and a man from my community, and this fall my wife will also be there voting with me for a Senator. To be honest with you I still believe you are the man for the Senate seat, but I'm sorry to say that we won't be casting our votes in your favor, just because of the reason that if we did that would show the Republican Party that we dairy farmers are supporting their dairy program, to which I am very much opposed, even though you did vote to freeze the support at 57 level. Some say that the reason for that was to get votes this fall. Well, be that as it may, I still believe that dairy farmers deserve more than a stab in the back, like we got from the general yesterday.

I believe that to drop supports will not drop surpluses but make more and greater surplus, because in order to make ends meet we will have to milk more cows.

Well, Senator, maybe my letter to you won't mean anything, but I just wanted to tell you how I as one dairy farmer from your community feels.

Thanking you for taking the time to read my scribbling.

Yours truly,

LEONARD F. BARTA.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared relating to H. R. 11767, making appropriations for the Department of Agriculture, together with a number of letters.

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

STATEMENT BY SENATOR THYE

I feel that I must call to the attention of my colleagues some comments which were included in the House Appropriations Committee report on H. R. 11767, making appropriations for the Department of Agriculture. This bill is now before the Agriculture Subcommittee of our Senate Appropriations Committee, so I ask unanimous consent that my statement be referred to the Appropriations Committee for consideration.

Mr. President, on pages 7, 8, and 9 of House Report No. 1584, accompanying the appropriation bill for the Department of Agriculture and Farm Credit Administration, appear the comments of the House Appropriations Committee on the subject of proposals that the Commodity Credit Corporation adopt an export subsidy-in-kind program for cotton and coarse grains. The committee refers to section 201 (a) of the Agricultural Adjustment Act of 1956, as follows:

"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."

The committee comments on this directive as follows: "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."

If this allegation were true, then the Commodity Credit Corporation has been acting illegally in flagrant violation of law for the past 2 years. I contend that such is not the case.

Early in 1956 the Department commenced a study of an export subsidy-in-kind program for grains. In August 1956, the Department announced that, effective September 4, 1956, wheat would be exported under a wheat subsidy-in-kind program and that the Department would continue to study the extension of this program to other grains. At or about that time the Department commenced a study of a cotton-export subsidy-in-kind program.

If subsidy-in-kind programs were to be adopted for the grains and cotton, they would bring about, among other results, the following: (1) the orderly distribution of agricultural commodities; (2) aid in the removal and disposition of surplus agricultural commodities; (3) cause to be exported agricultural commodities; (4) encourage manufacturers, processors and dealers to acquire and carry normal inventories of commodities of the current crop—all involving the use of the usual and customary channels, facilities, and arrangements of trade and commerce.

The wheat program has worked to the satisfaction of wheat producers and the Department of Agriculture. That it has worked has been publicly stated by Secretary Benson and other officials of the Department. Under the wheat program the Government has withdrawn its stock of wheat for sale for export. These stocks have been available only to redeem the in-kind certificates earned when wheat purchased in the free market has been exported. The same principle and technique could be adopted for the other grains. Under the present Government sales for export for grains other than wheat, for each bushel of grain sold for export one or more bushels of grain are funneled into Government stocks through the loan program. Under the present program Government stocks increase and Government costs of handling and storing are increased, not decreased. Under them producers suffer and a stage is set where the Government adopts in effect State trading procedures depriving grain producers of the chance to obtain in the market place a price approaching parity.

As I stated in my December 10 letter to Secretary Benson:

"Under present procedures, with the Government present each day as a seller for export, there is little or no incentive for grain firms to assume inventory risks. These risks are carried by the Government at the expense of the taxpayer and to the detriment of the farmer and the farm program. At no additional expense to the Government and to benefit farmers and the farm program, while providing for a gradual and orderly disposition of Government stocks through barter, relief operations and subsidy obligations, a subsidy, to reflect the difference between the world price and the domestic price, should be placed in operation."

In his veto message accompanying Senate Joint Resolution 162 (the farm price-support freeze resolution recently passed by Congress) the President stated that a five-point program should be undertaken involving a number of actions, not all of which required legislative action. Although I am not in complete accord with the President's views and certainly am of the opinion that the present economic conditions in agriculture dictate that he should have signed the freeze

resolution, I was pleased to note that point 5 of his veto message recommendations indicated the adoption of an export program for cotton, corn, and other feed grains, similar to the present export program for wheat. The President stated in his message:

"The effect of this program will be to move these products directly from commercial markets to the export trade without running them through the Commodity Credit Corporation. Under the wheat export program farmers have obtained broader markets and substantial price benefits in the market place. Marketing efficiency has been promoted and the amount of wheat which has moved into Government channels has been reduced. The new program for cotton and feed grains is expected to have similar effects."

I have repeatedly called on the Secretary of Agriculture to adopt a subsidy in kind export program for all feed grains, and I am certainly encouraged by the President's statement that such action will now be taken. The Department of Agriculture has informed me from time to time that my requests were being studied, and now we have in the President's message a finding that subsidy in kind programs for cotton and the coarse grains would facilitate the orderly distribution of agricultural commodities. The President's remarks also constitute a finding that such a program would aid in the removal of disposition of surplus agricultural commodities, and would encourage manufacturers, processors, and dealers to acquire and carry normal inventories of these commodities out of the current crop—all involving the use of the usual and customary channels, facilities, and arrangements of trade and commerce.

It would appear that the export subsidy in kind program will not do less than called for by the Agricultural Act of 1956, and that to the extent the House Committee on Appropriations' report states an opinion to the contrary, that report is erroneous.

WASHINGTON, D. C., *December 10, 1957.*
The Honorable EZRA TAFT BENSON,
Secretary of Agriculture,
Department of Agriculture,
Washington, D. C.

DEAR SECRETARY BENSON: During the course of the past year, I have followed with a great deal of interest the operation of the subsidy-in-kind program for export of Government stocks of wheat.

It becomes evident that this wheat program has worked to the satisfaction of wheat producers, as well as to the satisfaction of officials of your Department and people in the grain trade. This program for wheat was announced in July 1956 to be effective September 4, 1956. At that time, the program was regarded as one which would operate for a year, during which period it was expected that if the program worked for wheat, it would be extended to other commodities.

This subsidy-in-kind principle should be adopted for other grains. For these other grains, and as was the case with wheat prior to September 1956 producers funnel their production into the loan program. Almost all sales for export come from Government stocks and for each bushel of grain sold for export, one or more bushels are funneled into Government stocks through the loan program. Under the present program, Government stocks increase and Government costs of handling and storing are increased, not decreased. Under them, producers suffer and a stage is set where the Government adopts in effect state trading procedures depriving grain producers of the chance to obtain in the market place a price approaching parity.

If the Government withdraws its stocks of grains, as it withdrew its stocks of wheat, from sale for export, exporters and others will become buyers in the market. This will tend to bring about a market price approaching parity and result in a market price at or better than the loan level. Under these circumstances, producers may obtain parity in the market place and little if any grain will go under loan.

Under present procedures, with the Government present each day as a seller for export, there is little or no incentive for grain firms to assume inventory risks. These risks are carried by the Government at the expense of the taxpayer and to the detriment of the farmer and the farm program. At no additional expense to the Government and to benefit farmers and the farm program, while providing for a gradual and orderly disposition of Government stocks through barter, relief operations and subsidy obligations, a subsidy, to reflect the difference between the world price and the domestic market price, should be placed in operation. This could be set daily or might be subject to bids by firms interested in exporting grain.

Such a program can be instituted under existing law. The charter of the Commodity Credit Corporation, the Agricultural Trade Development Act and the basic-support law appear to grant adequate authority to the Department to make a subsidy available to aid in exporting agricultural commodities for which support programs exist and as to which there is a surplus.

To make a subsidy available will assure maximum use of the usual and customary facilities and channels of private trade and remove the threat of state trading with increases each day under present programs. That these results can be accomplished while permitting producers a chance to obtain a parity price in the market place, a subsidy procedure should be made available.

In closing, I would sincerely appreciate your giving this matter your most considerate attention, and I hope to have your comments within the near future.

My kindest personal regards.

Sincerely yours,

EDWARD J. THYE,
United States Senator.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., December 19, 1957.
Hon. EDWARD J. THYE,
United States Senate.

DEAR SENATOR THYE: This is in reply to your letter of December 10, 1957, with reference to an export program for feed grains similar to that in operation for wheat under which exporters receive the export subsidy in the form of grain.

A payment in kind export program for feed grains was suggested by the trade at the time the program for wheat was put into operation a year ago, and has been suggested by the trade on several occasions since that time. The Department agreed that it would review the wheat program after a year's operation and consider such a program for feed grains during that review. Such review is now in progress and an early determination will be made with reference to a payment in kind export program for feed grains.

The part that such programs will play in solving the low wheat and feed grain prices to producers will depend upon the volume of exports and production of such grains and the uses which are found for the surpluses which do not put them in direct competition with other products produced by agriculture.

We shall communicate with you further in connection with the above-mentioned subject in the immediate future.

Sincerely yours,

MARVIN L. MCLAIN,
Assistant Secretary.

TRADING WITH RED CHINA

Mr. SMITH of New Jersey. Mr. President, in this morning's New York Times there was a brief but very important editorial entitled "Trading With Red China." I should like to call public attention to the facts stated in this editorial, which reflect great credit on the courage and integrity of the Japanese Government.

The question of trading with Communist China had been raised in Japan by a group of businessmen who signed a trade agreement with Peiping and submitted it to their Government for approval. The Japanese Government responded with a firm statement of specifications for any such agreement, namely, that it would in no sense constitute recognition of the Chinese Communist government, and that Chinese trade missions would not be allowed to fly the Communist flag in Tokyo.

This position clearly recognized that Peiping sought, not trade, but the presumptive approval of the Japanese Government. The accuracy of this view has been demonstrated by the subsequent action of the Chinese in breaking off further negotiations.

The Japanese Government is to be highly commended for taking such a firm and realistic stand against any kind of recognition or quasi-recognition of Red China. For this reason, I ask unanimous consent that the complete text of the New York Times editorial be printed in the RECORD at this point in my remarks.

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

[From the New York Times of April 15, 1958]

TRADING WITH RED CHINA

The fact that Communist China has abruptly broken off the negotiation of trade agreements with certain private Japanese groups is not entirely a surprise.

In the beginning the Japanese groups signed a commercial agreement providing for an interchange of commodities totaling somewhat less than $200 million annually. The Japanese were acting as private citizens and organizations. They were dealing with an official Communist Chinese office, the Committee for the Promotion of International Trade. This agreement was subsequently submitted to the Japanese Government for approval.

The Japanese Government, in turn, made clear certain of its own specifications. A Chinese trade mission, it was stated, would not be allowed to fly the Chinese Communist flag in Tokyo. Also, it was made plain, the agreement did not constitute in any sense a recognition of Communist China by Japan, nor should it be so construed.

Peiping must have been interested, primarily, not in the promotion of trade with Japan but precisely in that quasi-recognition which Japan denied. What was important to Peiping was not getting a given amount of Japanese goods or selling a given amount to Japan, but getting the red flag aloft in Tokyo with the presumptive approval of the Japanese Government.

Peiping has been playing the same game in the fruitless negotiations in Geneva that are now well into their third year. These have now been suspended by the Communists until the United States provides another negotiator of full ambassadorial rank. Here, also, the object is not nego-

tiation—all the American prisoners in China have still not been released—but the promotion of some sort of face for the Communist Chinese.

DECLARATION OF PRINCIPLES BY MEMBERS OF CITIZENS COMMITTEE FOR THE HOOVER REPORT

Mr. SMITH of New Jersey. Mr. President, on March 31 and April 1 some people, members of the Citizens Committee for the Hoover Report, observers, and guests gathered in Washington to consider ways and means of furthering the recommendations of the bipartisan Hoover Commissions on Reorganization of the Executive Branch of the Government.

The gathering was primarily a "briefing session" for the active voluntary workers who form the backbone of the Citizens Committee from coast to coast. Their Washington workshop rounded out a series of successful regional conferences in Chicago, Boston, Los Angeles, Cleveland, Milwaukee, and Dallas.

At the conclusion of this workshop conference a declaration of principles was drawn up and adopted by members of the Citizens Committee. I earnestly commend these principles to the attention of the Senate, and I ask unanimous consent that the declaration of the Citizens Committee for the Hoover Report be printed in the body of the RECORD at this point in my remarks, together with a list of those attending the conference.

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

A CITIZENS' DECLARATION

We represent a nationwide group of private citizens. We have assembled in Washington for the purpose of studying the remaining unenacted recommendations of the bipartisan Hoover Commission. With the expert assistance of specialists in and out of Government, we are seeking a formula for prompt and decisive action on those recommendations.

We believe that public interest in Federal economy and efficiency is rising rapidly throughout the country. Only through a strong economy program such as was recommended by the Hoover Commission can this Nation strengthen its defenses and at the same time maintain the national solvency on which our security depends.

Maximum value for every tax dollar, the defense dollar particularly, must be the goal of officials, legislators, and citizens. We come from many parts of the country and represent many organizations. We wish in every way to support and encourage the Congressional leaders of both parties in their efforts to act effectively and swiftly to effectuate major Hoover report recommendations bearing heavily on the Commission's statement of its foremost objectives:

"First, to preserve the full security of the Nation in a disturbed world.

"Second, to maintain the functioning of all necessary agencies which make for the common welfare.

"Third, to stimulate the fundamental research upon which national security and progress are based.

"Fourth, to improve the efficiency and eliminate waste in the executive agencies.

"Fifth, to eliminate or reduce Government competition with private enterprise.

"Sixth, and perhaps the most important of all, to strengthen the economic, social, and governmental structure which has brought us, now for 166 years, constant blessings and progress."

Accordingly we urge that Congressional consideration be given and hearings commenced on the measures designed to encompass the following aims:

1. Elimination of needless and costly Government competition with private business: Progress has been made with this problem since the Commission issued its report in 1955. To date some 585 governmental business establishments have been closed, or ordered closed, in the Department of Defense alone. There remain, however, nearly 20,000 such establishments throughout the Government with an investment running into the tens of billions of dollars. Needed now is a firm declaration of Congressional policy implementing the growing national realization that the spread of Government competition, which is often wasteful and unfair, must be halted, and a return to fundamental national principles must be made.

Now pending before Congress are S. 1539 and H. R. 5826 and companion bills which would give effect to this objective. We respectfully urge that these bills be given hearings by the House and Senate Committees on Government Operations, and enacted.

2. Overlapping and waste in the procurement and management of nonmilitary, common-use defense supplies such as food, clothing, and fuel: In this area, the Commission found the three armed services operating separately with no common inventory or interchange so that one branch might be buying new quantities of items which another was selling as surplus. Acknowledging efforts on the part of the Department of Defense to rectify this condition, we call attention to the Commission's proposal for unification of such common-use procurement and management under civilian control. To implement this recommendation, there are before the Congress S. 1537 and H. R. 5797 and companion bills for which we urge the early consideration of the House and Senate Armed Services Committees.

3. Surplus property: The Commission found many ways in which the management of Federal surplus property could be placed on a more businesslike basis and the losses greatly curtailed. One proposal of importance is embodied in S. 1450 and H. R. 4119 and companion bills which would place overall policy responsibility for surplus-property management in the General Services Administration. These bills should be given hearings at an early date by the House and Senate Committees on Government Operations. We feel sure that strong public support for these measures would be forthcoming and that distinct gains in terms of economy and efficiency would result.

4. Coordination of Federal medical services: The Commission found 26 agencies with separate medical and health programs and vast resultant duplication and waste. These agencies operate separately with little knowledge of and no regard each for one another's activities. Citizens throughout the country are deeply conscious of the fact that many Federal hospitals are underutilized while new facilities are being built often in the same vicinity. The public is conscious also of the dangers inherent in the uncoordinated use of our precious medical skills and facilities. A beginning step in the solution of this problem would be the Congressional creation of a Federal Advisory Council of Health as set forth in S. 2293 and H. R. 2435 now before the Senate Labor and Public Welfare Committee and the House Interstate and Foreign Commerce Committee. Additional legislation should be presented for the specific rationalization of the Federal hospital systems, for clearer definitions of governmental obligation toward veterans with non-service-connected disabilities, and for the interchangeable use by the three armed services of their respective facilities.

5. Modernized Federal personnel procedures: One of the most important Commission recommendations concerned the establishment of a senior civil service to attract and hold competent managers, administrators, and scientists. We note with approval that a long step toward implementation of this proposal was taken by the recent Presidential appointment of a Federal Career Executive Board. Many gains remain to be made, however, by enactment of legislation to facilitate the Board's work.

S. 385, a bill to provide improved training for Federal personnel, has passed the Senate and is before the House Post Office and Civil Service Committee. It should be perfected and enacted. It is also essential that our Nation improve its mass Federal personnel procedures which are a maze of redtape, delay, and inefficiency. S. 2291 would do much to correct this need.

6. Other measures: We also urge prompt and favorable action on the following additional objectives:

(1) Gradual termination of the Postal Savings System.

(2) Section 109 of the postal rate bill so as to render realistic the charges of the parcel post.

(3) Proposals to relax Congressional clearance procedures on real property transactions.

(4) Measures to curtail hidden subsidies in Federal lending programs.

(5) Elimination of duplicate military-civilian staffing in the Defense Establishment.

CLIMAX DRIVE WORKSHOP—CITIZENS COMMITTEE FOR THE HOOVER REPORT, WASHINGTON, D. C., MARCH 31–APRIL 1, 1958

REGISTRATIONS

C. D. Alexander, Indianapolis, Ind.; Claude L. Alexander, New York City, N. Y.; John A. Boland and guest, Rapid City, S. Dak.; Joseph L. Borda, National Association of Manufacturers, Washington, D. C.; Francis P. Brassor, Washington, D. C.; Harry A. Brinkman, Illinois Hoover Committee, Chicago, Ill.; Lyman Bryan, American Institute of Certified Public Accountants, New York City, N. Y.; Milton M. Brown and guest, Georgetown, Md.; Mr. and Mrs. John R. Buckley, Washington, D. C.; Miss Sally Butler, General Federation of Women's Clubs, Washington, D. C.; William B. Cafky, Connecticut Chamber of Commerce, Inc., Hartford, Conn.; W. R. Castle, Washington, D. C.; Mrs. Theodore S. Chapman, Washington, D. C.; Mrs. Helen Lloyd Cole, Bronxville Women's Republican Club, Bronxville, N. Y.; Paul G. Collins, National Lumber Manufacturers Association, Washington, D. C.; Miss Anna Rose Colwell, Union City, N. J.; Lawrence S. Connor, Hillsdale, N. J.; Thomas Conroy, Pan American Airways, New York City, N. Y.; Kent Courtney, Independent American, New Orleans, La.; Arthur W. Crawford, the Tax Foundation, Inc., Washington, D. C.; William F. Debelak, the Quaker Oats Co., Chicago, Ill.; Mrs. Anna Driver, Aurora, Ind.; Miss Shirlee Edwards, Taxpayers' Federation of Illinois, Chicago, Ill.

Kirk Eads, United States Chamber of Commerce, Washington, D. C.; Ray Edwards, Washington, D. C.; J. Herbert Eichelberger, Taxpayers' Federation of Illinois, Chicago, Ill.; Ralph Evans, Davenport, Iowa; Robert Ferneau, Washington, D. C.; Mrs. Margaret Foote, Washington, D. C.; Norris W. Ford, Connecticut Association of Manufacturers, West Hartford, Conn.; Bayne Freeland, the Quaker Oats Co., Chicago, Ill.; Mrs. Walter Fried and guest, Huntington, N. Y.; John Frisch, Milwaukee, Wis.; Dr. Walter Giles, Georgetown University, Washington, D. C.; Cecil E. Goode, Department of Defense, Washington, D. C.; Mrs. James Scott Gray, League of Republican Women, Washington,

D. C.; Miss Ann Grickis, Washington, D. C.; Walter Harnischfeger, Milwaukee, Wis.; J. William Hagerty, Detroit, Mich.; Mrs. Margaret Harpster, Washington, D. C.; William W. Harrison, Jr., Department of Defense, Arlington, Va.; Bernard Hart, National Auctioneers Association, Frankfort, Ind.; John C. Hazen, National Retail Dry Goods Association, Washington, D. C.; Mrs. A. Ray Heath, Landenburg, Pa.; Walter Held, United States Chamber of Commerce, Washington, D. C.; Albert Highsmith, Cincinnati, Ohio; Mrs. Eleanor Hoover, Taxpayers' Federation of Illinois, Chicago, Ill.; Mr. and Mrs. Jack Howlett, Washington, D. C.; Prof. Herbert Hubben, George Washington University, Washington, D. C.; Mrs. Esther Hutchinson, Washington, D. C.; Mrs. Alice V. Isley, Washington, D. C.; Mrs. Harlean James, American Planning and Civic Association, Washington, D. C.

W. Dudley Jewell, Bridgeport Chamber of Commerce, Bridgeport, Conn.; Mrs. Kathryn Keeney, Washington, D. C.; Miss Rose Kincaid, Washington, D. C.; Wilfrid F. Knapp, Oberlin College, Oberlin, Ohio; Buddy Lachrie, Washington, D. C.; Miss Cynthia Love, Washington, D. C.; John MacFarlan, Railway Express Agency, Washington, D. C.; Rev. John J. Mahoney, O. P., Georgetown University, Washington, D. C.; John W. McKee, Taxpayers' Federation of Illinois, Springfield, Ill.; Miss Katherine McKeon, Washington, D. C.; John W. McLeran, Staten Island, N. Y.; Mr. and Mrs. Mauritson, Washington, D. C.; Mrs. Ida Nancy Merrill, St. Petersburg, Fla.; Dr. Harold Metz, National Association of Electric Companies, Washington, D. C.; Mrs. Kay Metz, the Quaker Oats Co., Chicago, Ill.; William Mills, Empire State Chamber of Commerce, Albany, N. Y.; Julian S. Myrick, New York, N. Y.; National Small Business Men's Association, Washington, D. C.; Mrs. Edith W. Nelson, Altrusa International, Inc., Richmond, Va.; James J. Newman, Akron, Ohio; Blake T. Newton, Jr., Roanoke, Va.; Dr. Eli Nobleman, Washington, D. C.; Dr. Alfred G. Obern, George Washington University, Washington, D. C.; W. E. O'Brien, Washington, D. C.; Col. Henry S. Otto, Scarsdale, N. Y.; Mrs. Winifred D. Owens, American Women's Society of CPA's, Washington, D. C.; Lt. Gen. Willard S. Paul, Gettysburg College, Gettysburg, Pa.; Mitchel Perrizo, Jr., Washington, D. C.

Mr. and Mrs. Bolling Powell, Vienna, Va.; Mrs. R. I. C. Prout, General Federation of Women's Clubs, Washington, D. C.; Lawler Reeves, United States Rubber Co., Washington, D. C.; Walter Reynolds, Washington, D. C.; Mrs. Joseph Sanders, Washington, D. C.; Mrs. Dave E. Satterfield, Jr., Richmond, Va.; Willis Sargent, Syracuse, N. Y.; Wallace H. Savage, Dallas, Tex.; Henry Schramm, Syracuse, N. Y.; F. L. Schuchman, Coraopolis, Pa.; Mrs. Schwartz, Washington, D. C.; Miles Scull, Jr., Washington, D. C.; Mrs. Vonnie Seffenn, Washington, D. C.; Arthur Sharp, Washington, D. C.; Mrs. William S. Shary, New York State Federation of Women's Clubs, Garden City, L. I., N. Y.; Col. Edward A. Sherman, Boston, Mass.; Glenn Shriver, Washington, D. C.; Frank A. Smith, Transportation Association of America, Washington, D. C.; William H. Smyth, New York, N. Y.; Joseph James Spurr II, Livingston, N. J.; Mr. and Mrs. J. J. Spurr III, McLean, Va.; Ralph G. Stoddard, Madison, N. J.; Capt. Hallam Tuck, Upper Marlboro, Md.; Mrs. Frank Turns, Aurora, Ind.; Frank Upman, Jr., and guests, Washington, D. C.; Bernard S. Van Rensselaer, Washington, D. C.; Hamill Varner, Quaker Oats Co., Chicago, Ill.; Richard C. Vierbuchen, Junior Chamber of Commerce of Washington, D. C.; Richard J. Werner and guest, Milk Industry Foundation, Washington, D. C.; Miss Alma A. Westermann, American Society of Women Accountants, Alexandria, Va.; Mrs. Harvey Wiley, General Federation of Women's Clubs, Washington, D. C.; Mrs. M. D. Winne, Northville, N. Y.; Gordon Brown, Dallas, Tex.; Harvey Hancock, San Francisco, Calif.

PRESERVATION OF THE EAST FRONT OF THE CAPITOL

Mr. SMITH of New Jersey. Mr. President, prior to the Easter recess, I sent a letter to my Senate colleagues in which I asked for their support of a fresh study to consider the possibility of preserving the east front of the Capitol in its present location. I have just received the statement of 10 distinguished architects, whose special competence is preservation of historic buildings, adding their voices to the suggestion that preservation is a practical possibility which should be seriously considered by the Commission for the Extension of the Capitol. This distinguished group includes architects who have preserved and restored some of the great historic sites of our country, such as Monticello, Mount Vernon, and Wheatlands, home of President Buchanan.

As I have stated previously, the fairest way to handle this controversy is to have a fresh study made by engineers and architects who are not committed to extension as the only solution to the east front problem.

I ask unanimous consent that the statement of these eminent architects be printed in the RECORD at the conclusion of my remarks.

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

A STATEMENT FOR THE PRESERVATION OF THE UNITED STATES CAPITOL

The time has come to put an end to the recurrent controversy over alterations and extensions to the historic central portion of the United States Capitol, and to proceed immediately with a thorough investigation of the available means and methods for the structural preservation and stabilization of the Capitol's exterior walls to the end that they shall stand for future generations as they have stood for upward of 150 years.

From our personal experience and knowledge of the preservation of old buildings in this country and abroad, and with confidence in the skill and ingenuity of American craftsmen, we are convinced that the exterior walls of the old Capitol building can be made sound and beautiful again without a change in their location or the excessive renovation of their carvings and surfaces, and without loss of the unmistakable touch of the craftsmen of another era which the building now presents.

We believe that this work of preservation should be undertaken because the central portion of the Capitol is both the greatest of the Nation's historic monuments, and in addition, a work of architecture of more than national importance. Its majesty ought not to be marred by extensions, additions or modernization.

In many parts of the world, as well as in the United States, it has become public policy to preserve important historic buildings with the greatest care for their original fabric, design, and proportions. Recent examples of such preservation are the Tennessee State Capitol, the White House, Mount Vernon and Monticello, St. Patrick's Cathedral in New York, St. Paul's Cathedral in London, and Hagia Sophia in Istanbul.

The arguments for the extension of the east central portion of the Capitol on the grounds of cost or the provision of extra rooms overlook the immense significance of preserving this symbol of national stability which has sheltered 79 Congresses. A facsimile reproduction of these walls and portico would be meaningless, neither expressive of our age nor evidence of the heroic past. Ways and means can be found in the Capitol to meet the needs for efficient space, perhaps by a realistic assignment of the uses of the existing rooms. The costs of preservation will be trifling in comparison with the importance of the building, and should certainly be less than for the extension now proposed.

The Commission for the Extension of the Capitol has ample authority and funds to effect the preservation of the historic exterior walls. Its members have the opportunity now to perform a great service for future generations of Americans by adopting this policy, a decision which will be remembered with gratitude.

Milton L. Grigg, F. A. I. A., Charlottesville, Va., Architect for Restoration and Preservation of Monticello; Richard H. Howland, President, National Trust for Historic Preservation; Richard Koch, F. A. I. A., New Orleans, La.; Lawrence Kocher, Former Chairman of the Committee on the Preservation of Historic Buildings, A. I. A.; Walter L. Macomber, Chairman, Architectural Review Board of the Fine Arts Commission; Architect for Preservation of Mount Vernon and for Wheatlands, Home of President Buchanan; Former Resident Architect for Colonial Williamsburg, Inc.; Albert Simons, F. A. I. A., Charleston, S. C., Architect for Restoration and Preservation of the Joseph Manigault House and St. Michaels Church in Charleston, and Other Historic Buildings; Guy Study, F. A. I. A., St. Louis, Mo., Architect for Restoration and Preservation of Numerous Historic Buildings; Marcus Whiffen, Architectural Historian, Colonial Williamsburg, Inc.; Samuel Wilson, Jr., F. A. I. A., New Orleans, La., Member, A. I. A. Committee on Preservation of Historic Buildings, Cathedral and Other Buildings; Paul Thiry, F. A. I. A., Seattle, Wash., Member, Society of Architectural Historians.

TAX REDUCTION

Mr. GOLDWATER. Mr. President, since we have returned to the Senate following the Easter recess, I am sure that many of my colleagues have not only seen the light but probably have also felt the heat about the possibility of a tax reduction in the immediate future.

Dr. Harold B. Wess, professor of business administration and marketing at the American University, prepared a very stimulating article, which was published in the magazine Human Events. It is entitled "The Case for Immediate Tax Reduction." I ask unanimous consent that the article be printed in the body of the RECORD.

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

THE CASE FOR IMMEDIATE TAX REDUCTION

(By Harold B. Wess)

We are afraid to cut taxes during a boom period because we do not want to feed the fires of a consuming inflation; on the other hand, we have become conditioned to a peculiar regidity in our thinking so that we are averse to cutting taxes during a recession. These are the facts we face today.

Does this mean then that we are doomed to live with a burdensome tax structure which has grown like Topsy? If we do not reduce taxes in a period of prosperity and hesitate to reduce them in a period of recession, we are tacitly committed to a tax structure that must inevitably lead to socialism.

Competent authorities agree that when Federal, State, and local taxes exceed 25 percent of our national income we are well on the road to a Government socialized economy. We have already passed this figure. Are we therefore giving tacit consent that our economy could not reach greater heights or even sustain itself except through excessive Government spending?

The success of our free enterprise economy stems from incentives for the individual and for business. Our present tax structure stifles such incentives. Those who recommend pump priming as a cure for our current recession forget that pump priming in the thirties was ineffectual and corrupting. We must be aware that Government projects as a quickie device to correct the recession may be another name for pump priming and pork barrel expenditures.

The most disturbing fact about the current recession is that even among those who profess to believe in the long-range soundness of our potential growth we find a reaction like that of frightened children. Here again is a demonstration of lipservice to the basic soundness of our kind of society; but as soon as the chips are down, we falter and show our lack of faith in what we profess.

The 1953-54 recession was short lived, which many competent observers believe was due to the tax reduction given to business and individuals in 1954. In spite of a sharp reduction in tax rates in 1953, the average revenue of the Government for the ensuing years increased substantially over the 1953 level before the tax cuts were in effect. This certainly is adequate proof that we are in error in sticking to the belief that the only way we can pour adequate funds into the Government is through higher tax rates. Isn't it time that we try the more sensible approach of lower tax rates?

In the discussions now raging about the recession we seem to forget that there are many contributing factors. There are the heavy inventories which are slowly being liquidated. There are plants and machinery built in the last few years to be paid for through profits. There are the high prices that have created consumer resistance to buying. Included in these high prices are constantly spiraling wage structures which have gone up faster than productivity per man-hour. We must not forget that in addition these high prices also include high taxes.

According to the present tax structure the investment of dollars put into plant and machinery can only be depreciated on the basis of what they cost. This depreciation reserve, set aside to replace wornout machines at some future date, will be completely inadequate because of the constantly rising prices. This means that the profits of industry have been very much overstated and that industry is paying high taxes on profits it did not make.

It is only through profits that industry is able to pay dividends to stockholders and to put aside money for better tools and machines. It must be obvious that through this process of unrealistic depreciation reserves, high wages, lower productivity and high taxes, we are slowly but surely stifling the incentives for business to take risks. This in my opinion is the more accurate appraisal of what is really happening today.

We have become conditioned in our thinking to believe that a tax cut will reduce Government income. We fail to grasp the simple arithmetic that a lower percentage of tax on a higher national income would be much better for our economy than a high percentage tax on a restricted national income. At some stage we must make a genuine and wholehearted effort to establish a lower tax rate, and the time is now.

If we believe, as I do, in the basic philosophy that our superiority to socialism and communism is our ability to release the incentive and creative efforts of all people in our society, then we must relieve the consumer, the investor and the businessman of the burdensome taxes which keep them in bondage. A dollar released to the consumer to buy more, a dollar to the investor with which to invest more, and a dollar to industry to produce more, are worth many, many times more in the channels of our free economy than dollars in the hands of Government.

Personally, I believe that—after the excesses of the past few years, the high rate of wage increases which did not keep up with productivity, the punitive tax structure, our inflationary excesses—we were due for the kind of recession we face today. But I also believe that after a period of readjustment, without the kind of panic being generated in some quarters for political purposes, our economy will reassert itself and move on to higher levels.

It may seem farfetched to some if I say that the real danger we face now is that we may take the kind of remedial measures to correct the recession which will generate even greater inflation than we have experienced so far. It is amusing and tragic that so many people who prated about the built-in stabilizers in our economy—social security, unemployment insurance, mortgage protection for homes and farms, etc.—now have suddenly lost faith in the ability of these built-in stabilizers to stabilize.

It is not intended here to imply that certain jobs which only the Government can perform, such as roadbuilding, should not be done; but let us remember that we have always talked about having such programs ready to put into action the moment there is a sign of a downward trend in our economy. Somehow the Government has never been ready for such emergencies and obviously is not ready now. These jobs always seem to be put into the works at a time when the economy is running full blast, with the risk of putting additional pressure to an already booming economy. Because the Government is never prepared for action when needed most, we must conclude that Government works are not so useful a device to correct a recession as is the quick method of tax reduction, which channels money into business, to the investor and to the consumer with which to start their own pump priming. And this is in addition to the psychological fillip given to consumers by a tax cut.

It is my belief that by the time Government projects actually get into channels of production our recession will have corrected itself and we will find again Government projects superimposed on an expanding economy and setting the cycle of inflation in motion anew.

I believe in an across-the-board tax cut now, not as a cure for the present recession, but because it is the right thing to do. It will help the present recession only because it is the right thing to do for our economy. We can use a wise tax structure and the skill of the Federal Reserve Board to control inflation and deflation without resorting to wasteful and corruptive pump priming.

In the present panic which has gripped so many of our leaders, it is important to approach the case for a tax revision now with common sense and the reaffirmation of faith in the ability of our capitalist system to provide high employment, increased production, increased national income, and a rising standard of living. In spite of the fear engendered, the record of our capitalist system in coming out of temporary recessions is very good indeed.

The recessions of 1953 and 1949 were short lived. In the recession of 1908, unemployment rose to 2,300,000, or 6.3 percent of the working force. In 1909 it dropped to 719,000. In 1921, unemployment mounted to 4,754,000, or 11.2 percent of the working force. By 1922, it had fallen to almost half of that, and by 1923 it was 749,000.

The only period around which many people build their economic philosophy today is the depression of 1930. There is good reason to believe, however, that this depression would not have been so severe and would not have lasted so long if the Government had left the economy alone, instead of introducing tremendous confusion through the executive agencies that assumed power to make rulings with the force of law. Businessmen did not know from day to day where they stood. For instance, the AAA (Agricultural Adjustment Act) was intended to help farmers by raising the prices of farm products; but the NRA (National Recovery Administration) tried to raise prices of commodities which the farmer had to buy. This of course also tended to interfere with the revival of export trade. The Government at that time raised taxes in the face of bad business conditions. These measures prevented the natural forces of recovery, confidence and incentive from taking hold.

It would seem that the same people who in years past spoke with great pride and accomplishment about our "built-in stabilizers" such as unemployment insurance, social security, etc., have no faith in those stabilizers to carry us through the period of economic readjustment, and are now clamoring for more and more stabilizers, such as a further extension of unemployment insurance. Heaven only knows how far such thinking may someday lead us.

Let us examine the greatest built-in stabilizer of them all, on which so much reliance was placed—the Full Employment Act of 1946. This act declares it to be Government policy (1) "to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining useful employment opportunities * * * for those able, willing and seeking work," and (2) "to promote maximum employment, production and purchasing power." No one has been able to define what constitutes full employment. (Soviet Russia certainly achieves full employment but I am certain there are very few in this country who would like to have full employment at such a price.)

According to this act, the Council of Economic Advisers—of which Dr. Arthur F. Burns was recently Chairman and which is now headed by Dr. Raymond J. Saulnier—reviews current economic trends, and the influence of Government activities on employment, and makes recommendations toward full employment. The act also sets up a Joint Economic Committee of which Representative WRIGHT PATMAN, Democrat, Texas, is chairman, and Senator JOHN SPARKMAN, Democrat, Alabama, is vice chairman. The recommendations from the Council of Economic Advisers, through the President, are transmitted to the Joint Economic Committee of Congress for whatever legislation they deem appropriate.

This act is almost 12 years old, and while we are doing some soul searching, this is a good time to ask ourselves whether it was really necessary. Stripped of its legal language it says in effect that the Government will not sit idly by and see a serious depression come upon us without taking the proper measures to stop it and reverse it. But the Government, through its taxing power, through the Federal Reserve Board and through its involvement in public works which cannot be done by private enterprise, already has the wherewithal to act in case of a recession. The real ques-

tion to be raised about the Full Employment Act is the possibility that in the future, particularly in a period of panic, the Government may attempt, through full employment policy, so to control our economy as to result in the destruction of the capitalist system and the establishment of a planned economy.

Another question we might ask is whether the Council of Economic Advisers was able to foresee this recession a year ago, so that proper precautionary measures might have been taken. If they did foresee this recession, why did not those who have the responsibility and authority implement a program immediately, instead of waiting 9 months, until the recession is upon us, and then start to pour billions of dollars into public works which will take still many more months before they are translated into production and employment?

We should not assume that by pouring $40 a year more into the family pocket we can be certain that it will be automatically spent. Consumers are now sitting with over $300 billion in the following categories: approximately $26 billion in currency; $55 billion in checking accounts; $88 billion in savings accounts; $48 billion in United States Savings Bonds; $20 billion in other United States Government securities; $22 billion in State and local securities; and $41 billion in savings and loan associations. Against this, they owe approximately $137 billion in mortgages and consumer debts.

The public will not spend this money or tax-relief money they may receive unless they can be reassured that there is nothing imminently wrong with our economy and that we are not facing a serious depression. This is a good place to emphasize that we have done a pretty poor job in explaining the dynamics of our free economy. The Communists work overtime daily building confidence and faith in their society, while we take ours for granted. The real test as to whether the people and their leaders really understand our kind of economy and social system does not come when things are booming. It is easy to have faith when our economy is going full blast. The real test comes when there are temporary setbacks.

We have failed to help our people grasp that as illness sometimes overtakes a human being, so can it afflict a free economy. Illness sometimes results from excessive indulgence. The same may be said of a free-enterprise economy. A temporary illness in an individual is nature's way of setting up a warning. A temporary recession is the economic doctor's way of indicating some danger signs. There is nothing wrong with our economy which a little understanding and wise leadership would not help in giving assurance to our people in this present panic.

Over the years the Government introduced emergency taxes which have become permanent. If we do not now come to grips with this tax octopus which is chocking our economy, when will we do so? This is a good time to get rid of tax inequities; to examine how excise taxes are reducing and inhibiting purchasing power. This is a good time to examine the wisdom of the capital-gains taxes. Great Britain, which is almost a Socialist state, does not have a capital-gains tax. Circulation is as important in our economy as is circulation in the human body. Does not our present capital-gains tax create too much rigidity in our economy and freeze capital?

And, while we are at it, let us thoroughly examine the present profit sqeeze on industry. Corporate profits after taxes as a percentage of gross national product (total value of goods and services) was 4.6 percent in 1957, as against 7.8 percent in 1948, 6.1 percent in 1949, and 5.3 percent in 1955. Certainly, it becomes obvious that as profits, the spark in the sparkplug of our economy, keep narrowing, the spark will diminish and we shall be in trouble. This is another way of repeating—and it can stand a great deal of repetition—that the basic strength of our economy and society lies in the individual incentive motivation that generates voluntary creative effort and growth.

REORGANIZATION OF THE DEPARTMENT OF DEFENSE

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a speech delivered by the Secretary of Defense, Mr. Neil McElroy, at the National Press Club on Thursday, April 10, 1958, on the subject of the reorganization of the Defense Department. I may say that in his speech the Secretary of Defense pointed out clearly that the recommendations of the President do not call for the abolition of the Joint Chiefs of Staff, that they do not make the Secretary of Defense a so-called czar, and that they do not contemplate the abolition of the traditional services.

The Secretary of Defense also answered the strongest argument which has been made against the President's recommendations, when he established that the President did not ask that the total defense appropriation of the Congress be made available to the Secretary of Defense, to be distributed by him as he might see fit. To the contrary, the Secretary of Defense said the sum which would be under his control would involve only a minor percentage of the total appropriations, and would be used by the Secretary to make more effective the operation of the services.

When the recommendations of the President come to the Congress in the form of proposed legislation, they may very well prove to be the most significant legislation to be considered by Congress at this session. This is true because his recommendations go to the heart of our national security; and, second, they offer means of effective control over the largest item in the Federal budget. I believe strongly that the people of the United States will support the President's recommendations despite the bugaboos which have been raised by the advocates of the interests of the separate services. I believe also the Senate and the Congress will support strongly the President's recommendations.

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

Mr. COOPER. I yield.

Mr. JAVITS. I, too, would like to join with the Senator from Kentucky in expressing my support for the President's proposals, which have been subjected to a barrage of criticism. Those who criticize the recommendations have the burden of showing affirmatively something better.

Certainly, in this field the President, with his vast knowledge, has submitted a series of proposals which deserve respect. I for one intend to join with the Senator from Kentucky and other Senators of similar mind in supporting them in substance.

Mr. COOPER. I believe the majority of Senators will support the President's recommendations.

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

SPEECH BY SECRETARY OF DEFENSE NEIL MCELROY AT THE NATIONAL PRESS CLUB, WASHINGTON, D. C., THURSDAY, APRIL 10, 1958

I want to congratulate the National Press Club on its having reached its 50th anniversary. In the uncertain world we live in, that is indeed an accomplishment, and I compliment your officers and members, past and present, on having achieved it. I hope you will continue for many more years to provide this excellent forum and to render the many other services that have made this the outstanding group of its kind in the world.

When my predecessor, Mr. Charles Wilson, appeared before you just 2 years ago, the title of his talk was "Ivory Soap's Not Good Enough." He was referring to the purity of the product which, as the makers have been pointing out with becoming modesty but nevertheless with insistence for something over 70 years, falls fifty-six hundredths of 1 percent short of perfection. I can tell you that the makers of Ivory soap agree with Mr. Wilson's statement that it is not good enough and are constantly working to improve it. Of course, Charlie might have used the illustration to point out that, with respect to the country's defense, anything short of optimum must be subject to examination and the search for improvement. It is in that spirit that we have approached the question of improving the organization of the country's Military Establishment.

This subject was officially opened, as you will recall, with the President's state of the Union message on January 9, and immediately it moved into a high priority position. At that time the President pointed to certain aspects of the defense organization that needed improving, stated that we were studying possible organizational changes, and set down certain objectives which should be sought as a result of these changes.

Very soon thereafter a panel of consultants was formed to study with me the existing organization centered in and symbolized by the Pentagon to see where it had structural or functional shortcomings, and to advise me on improvements that might be made. It was understood from the start that the decision on what to recommend to the President would have to be mine. It was recognized that unanimity on all points would be highly unlikely and that the group would function rather as a study and discussion group than as one which would prepare a report or itself submit formal recommendations.

This group consisted of the present and two previous Chairmen of the Joint Chiefs of Staff—General Twining, Adm. Arthur W. Radford, and Gen. Omar Bradley; William C. Foster, former Deputy Secretary of Defense; Nelson Rockefeller, chairman of the President's Advisory Committee on Government Reorganization; Gen. Alfred Gruenther when his previous commitments enabled him to join us; and, a full-time special assistant to lay out the study program, organize the project and keep us all working hard, as well as adding his own most valuable counsel, Charles A. Coolidge, former Assistant Secretary of Defense, who in a very short time won the name by which he was called thereafter: Mr. Whip. I believe you will agree that this group of consultants consists of individuals who are about as free of political or service bias as any group of experienced and knowledgeable people could be.

We sought the views of a great many highly qualified individuals, including, of course, the Service Secretaries and the Chiefs of Staff, but including also former Secretaries and Deputy Secretaries of Defense, commanders of the unified and specified commands, military officers, and civilians with a

close knowledge of the workings of the Department and views on the subject. These were interviewed by the panel, usually by personal interview but sometimes by letter when a personal discussion was impracticable.

The group met with great frequency, and I cannot speak too highly of the hard work and thought and time these men gave to the project. There were some differences of opinion, but the important thing is that the various views were clearly expressed, and debated until the pros and cons were clear, so that in reaching my recommendations, I knew what issues were involved, and what the alternatives were. While I am confident that each member of the panel would have ways in which he would change the details of my final recommendation to the President, I am equally confident that they believe the final proposal is a sound one.

The President worked with us in the development of the proposal, attending one of our meetings at the Pentagon, discussing many of its fundamental principles with us in smaller groups, and advising us of his own thinking as it progressed. It is not surprising, then, that his message to Congress last week embodied all of the important features of the recommendation which had been made to him, although it should be clearly understood that the proposals the President has made are his own and derive much of their strength from the vitality of expression that reflects his own convictions in these matters.

I imagine that many of the questions you may ask me later will have to do with the reorganization plan, and so that we can all start from the same place, I think it might be well for me to outline briefly the major proposals and some of the reasons for them.

The proposed changes would clear command channels so that orders will proceed directly to unified commands from the Commander in Chief and the Secretary of Defense through the Joint Chiefs of Staff which would add an operations section for this purpose. As we go into a period when a potential enemy may have operational long-range missiles in substantial quantities, our reaction time must be measured in minutes instead of hours. I am informed that in every way this Nation has fought in the last century, we have had to change our military organization after war has started. We no longer have time in which to change command lines or to shift from a peacetime to a wartime organization. Any such shift must be made now. Under the new recommendation, orders would go from the President as Commander in Chief to the Secretary of Defense, through the Joint Chiefs of Staff to the unified command without the intermediate step which now interposes one of the departments as executive agent between the Commander in Chief and the unified commander.

The organization of the Joint Chiefs of Staff will be strengthened to provide the President and the Secretary of Defense with the professional assistance they must have for strategic planning and for the operational direction of our combat commands. The present Joint Staff is handicapped by a rather cumbersome committee system which acts on documents before they are reviewed by the Joint Chiefs themselves. This committee system is being eliminated and an integrated operations division will be added to the Joint Staff to provide the operational assistance necessary for the strategic direction of the unified commands. The important matters now constantly requiring the attention of the members of the Joint Chiefs of Staff demand so much of their time that they must be permitted to delegate major portions of their service responsibilities to their vice chiefs. By this action the Chiefs can give the majority of their time to their responsibilities as Joint Chiefs of Staff, which would constitute their principal function.

The three military departments would of course be continued as the major operating divisions within the Department of Defense to perform the vast and important management, budgeting, research, personnel administration, training and logistic functions of the Department. Their responsibility would encompass many and complex activities that support the unified commands.

Another and very essential point in the recommendation is the establishment of a Director of Defense Research and Engineering, to strengthen the research function of the Department and avoid overlapping and duplication. It is hard to overstate the importance of research to the future security of our Nation. The development of a weapons system of the future is costly in dollars and in highly trained personnel. The Defense Department directly or indirectly uses 50 percent of the top scientists in the country. It is imperative that this large program be guided and controlled in a way which will use these resources with maximum efficiency. Most of the research would continue to be done within the departments as at present; but all research and engineering in the Department of Defense would be supervised by the Director of Defense Research and Engineering acting for the Secretary.

The proposed reorganization would also make clearer the authority of the Secretary of Defense. The National Security Act gives the Secretary direction, authority, and control over his entire Department. But at the same time this law provides that the military departments are to be separately administered by their respective Secretaries. The President has recommended eliminating the provisions prescribing separate administration of the military departments as a means of reducing needless argument which adds to the difficulty of administering the Department.

He has also asked that the Secretary of Defense strengthen the Department supervision over the activities of the various military departments in the fields of legislative liaison and public affairs to remove some of the present tendencies toward confusion, overlapping of effort, and a public impression of undesirable interservice rivalry.

The proposal also seeks greater flexibility in money matters both among and within the military departments. We will not suggest that Congress appropriate large sums of money to the Secretary of Defense for him to distribute as he sees fit; our objective is simply to have reasonable flexibility which will permit us, in a time of sudden technological breakthroughs and rapid shifts in priorities, to transfer funds from less insistent projects to more vital ones. It would be our expectation that the percentage of total funds for which the Department of Defense might request transfer would be a minor percentage of the total. Moreover, whatever transfer authority is granted would be used only under a system of notification to the appropriate committees of Congress.

These are the principal points emphasized by the President's message to Congress. Some of them require legislation and we are now in the process of developing it. We hope to have the necessary legislation before Congress shortly after it reconvenes next week. We have great respect for the knowledge and experience in these matters possessed by many Members of Congress as well as for their impressive zeal and sincerity on matters pertaining to the Nation's defense. We look forward, therefore, to discussing these matters with them and are confident that constructive legislation will result.

Before leaving this subject let me mention a few of the things which the proposed reorganization plan does not do:

It does not set up a single Chief of Staff; the present Joint Chiefs of Staff will continue to serve as a corporate body as staff assisting the Secretary of Defense and advising the President.

It does not set up the Secretary of Defense as a czar or dictator; his existing authority will be merely clarified and he will be given modest flexibility in money matters.

It does not contemplate abolition of the traditional Army, Navy, Air Force, and Marines; the President is most emphatic on that point.

It does not set up a Prussian-German type General Staff.

I have dwelt at considerable length on the main features of the reorganization proposal but I suspect this will be a primary subject of conversation in Washington and elsewhere for some weeks to come. I felt, therefore, that it deserved the largest share of my time before you.

I would like, also, to mention briefly the additions to our present defense program which we are seeking in our supplemental fiscal 1959 appropriation request. I have, on a number of occasions, told Congress that I would not hesitate to come before them to seek additional funds for defense when, in my judgment, it was in the Nation's interest to do so. The appropriations for military programs are planned 18 months or more before some of the money will be spent. It is hard to predict with accuracy how far along we will be in a particular development program, how successful a testing program will prove, what our precise needs and opportunities will be a year or more later. If the importance of a particular weapons system grows and we decide to put more money into it we look very hard at our current expenditures to see if the development of this weapon will not permit us to reduce expenditures in some other area. A good deal of the money comes from such sources. But it has proved necessary to seek supplementary appropriations this year in addition to the regular budget.

The proposal before the House Appropriations Committee at present provides for a continuation of the production of B–52's and the KC–135 refueling tankers which constitute the heavy bomber component of our important Strategic Air Command. It provides for accelerated development of the Nike-Zeus antiballistic missile system, a weapon of great importance as we face the threat of long-range missiles which must be detected and destroyed in a matter of minutes.

The request would also permit further acceleration of the Polaris program. This, as you know, is the weapons system which provides for the underwater launching of solid propellant ballistic missiles from submarines. We regard it as one of our most promising programs for deterrence.

In view of the great Soviet submarine capability, defense against antisubmarine warfare is one of our primary concerns. The supplementary appropriation includes funds for use in this area, primarily for research for improving our knowledge and competence in the detection of submarines.

Funds are included also for research and development of a solid propellant ICBM, and for acceleration of the Titan ICBM. Another missile provided with additional funds is the GAM–77, more colorfully known as the Hound-dog, an air-to-surface missile carried by the B–52 which will enable our SAC bombers to launch their weapons hundreds of miles from a hostile target and thus avoid the major concentration of the defenses of that target.

To assist with the research, development and testing of such missiles as these, funds are provided for the improvement and further instrumentation of the Pacific missile range.

Another area covered is Army modernization, to provide advanced weapons and equipment to Army commands to replace

obsolescent weapons of various types. These include new antitank weapons, Honest John atomic adaptation kits, battlefield radar kits, improved reconnaissance systems, communications and equipment provided to increase mobility.

Finally, the Advanced Research Projects Agency would be provided with funds for a variety of projects involving the program of reconnaissance satellites and space explorations.

There are other matters connected with defense which are of great importance and current interest. One, for example, would be the revised pay bill which has now passed the House and is awaiting Senate action. It emphasizes the principles of the Cordiner plan and we believe would make a major contribution in an area of vital importance—the attracting and retaining of highly qualified personnel in greater numbers.

However, I believe our remaining time might better be used by letting you select the subjects rather than myself. I will welcome the opportunity to answer your questions to the extent that I can on any of the matters which fall within my general responsibilities. The magnitude as well as the importance of our defense program make it everybody's business. Public understanding of the problems and issues involved is most important. Many of you perform a vital role in informing the public, stimulating them to intelligent thought. All of you are knowledgeable and articulate and whether or not you always agree with what we are doing at the Pentagon, your informed opinions can be extremely helpful in maintaining informed public interest.

I want to thank you again, for giving me this opportunity to discuss some of these matters with you.

ARTICLE BY SENATOR SMATHERS ON PROBLEMS OF AMERICAN RAILROADS

Mr. NEUBERGER. Mr. President, one of the most impressive and thorough hearings in recent years has been that held by the Surface Transportation Subcommittee of the Committee on Interstate and Foreign Commerce inquiring into the economic problems and vicissitudes which confront the railroads of the United States. The chairman of this diligent and conscientious subcommittee is the able junior Senator from Florida [Mr. SMATHERS]. Under his leadership, the subcommittee has been developing information and facts which will guide us of the Senate, I trust, in working out a legislative program which will make our railroads more efficient, more financially solvent, and more effective in the service of the Nation.

I am certain that all of us realize that such a program is absolutely essential, not only to the railroads and their many employees and stockholders, but also to contribute to the strength and defense of our country.

In the New York Times magazine for Sunday, April 13, 1958, Senator SMATHERS contributed a most thoughtful and beneficial article about the plight of the railroads and their difficulties. More important, the distinguished Senator from Florida recommended a set of proposals which might be helpful in solving some of the railroads' troubles. In his concluding analysis, the Senator emphasized that he hoped to offer a plan which will grant the railroads new freedom to, first, manage their own affairs; second, adjust their rates; third, merge and consolidate; fourth, make schedules and operate trains; fifth, approach the money sources of the Nation; and, sixth, compete on an equal basis.

Because the article by Senator SMATHERS is so significant and so pregnant with important ideas and conclusions, I ask unanimous consent that it be printed in the body of the RECORD for the information of all the Senate colleagues of the able Senator from Florida.

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

THE RAILROADS SEEK A CLEAR TRACK

(By Hon. GEORGE A. SMATHERS, of Florida)

WASHINGTON.—A generation before the Civil War, the first American railroad trains, their tiny locomotives spewing steam and wood smoke, hauled passengers and cargo among the newly rising cities along the eastern seaboard. Within the next 40 years unbroken rails reached to the Pacific Ocean and a great steel network spread into every corner of the land.

These were the beginnings of an industry that came to dominate our transportation system for nearly a century and helped to shape the face of the Nation.

But what do we find today?

The railroads are in the vanguard of a general economic decline which has affected all transportation. It would be difficult to say whether the railroad industry's plight resulted from, or was an important cause of, our recession. But it is clear that the deteriorating railroad situation and our declining economy are closely interrelated.

Transportation—as an industry—accounts for one-fifth of our gross national product. Transportation—as a service—reaches into every city, every village of our Nation, affecting, in one way or another, the life of every man, woman and child. What happens to our overall transportation system could well determine what happens to our economy and, of course, what happens to our economy will determine what happens to our personal freedom, our welfare, our Nation. And the railroads are the bedrock of our transportation system.

Only a few years ago the railroads were the biggest business in the Nation. They ranked first as a purchaser of goods and services. Steel mills once counted them as their best single customer, and so did the fuel-oil sellers, the lumbermen, the coal-mine operators and many others.

Today, the railroads' economic body is racked with fever; its sickness is contagious and far-reaching. It is no longer debatable that many of our biggest railroads are in serious financial difficulties. The question today is whether the railroads can survive.

Last January, the Surface Transportation Subcommittee of the United States Senate began a study of the many sided railroad problems. In 11 weeks of public hearings we received the testimony of 27 railroad presidents and of representatives of motor carriers, airlines, and water carriers. We listened to the advice of various user and shipper groups, professors from the country's leading educational institutions, financiers, and members of State and Federal regulatory bodies. We heard the views of prominent Government officials, farmers of every description, railway labor groups and others who had knowledge of the problem.

And the problem is clear. The railroads have reached the most dangerous point in their history. Even the other competitors in our transportation system are agreed that something is wrong with the railroads, that strong medicine, possibly surgery, is urgently needed to save them.

Here is one measure of the railroads' deteriorating condition. In 1920, 2 million were on their payrolls. That total has dwindled to 860,000—the lowest since records on such employment totals have been kept. For 2½ years the railroads have been reducing their employees at the shocking rate of 4,000 a week. The trend still continues.

Return on rail investments is one reason for this drastic curtailment. In the First National City Bank of New York report on the 1956 rate of return on net assets for the top 73 industrial groups in the country, railroads ranked next to the bottom. Some class I roads are below this average figure. The largest rail carrier, the Pennsylvania Railroad, returned only 2.9 percent in 1956. Last year the Pennsylvania saw its return on investment slump to less than 1.5 percent, and for the first 2 months of 1958 the company lost more than $11 million.

In other words, the one-time "blue chip" stocks are now "black and red chips," with fewer and fewer takers.

It is possible, I believe, to group some problems of the railroads into a few broad categories:

I. MANAGEMENT

As a group, the railroad presidents who appeared before our subcommittee were as intelligent, able, and conscientious as any group I have been privileged to hear during my 12 years in the Congress. Some were superlative, most above average, a few mediocre.

If any serious criticism could be directed at them, I think it could be on the ground of failure to appreciate fully the truism that time and tide wait for no man, that our economy is not static, but ever changing, producing new problems, demanding new ideas and solutions. A few indicated a belief that the trouble in which they currently discovered themselves was just a bad dream, and that upon awakening some beautiful morning they would find a return to the good old days of no trucks, no airlines, no barge canals, no unions with which to contend—only profits.

Many presidents, however, have done a superior job in trying to meet the times. In fact, since World War II, $14 billion has been spent by the railroad industry in modernizing locomotives, cars, equipment and rights-of-way. Yet much more remains to be done. There is a lag of about $160 million in deferred maintenance. But modernization of outmoded structures is not the sole answer.

Consideration and assistance must be given to consolidations and mergers. No longer are railroads a giant and powerful monopoly. True, some are still big, but they are hollow, and hard put to compete against the younger and more aggressive carriers in the air and on the ground. This is a problem with which management must concern itself. It is amazing, for example, to see railroads with parallel trackage and facilities competing with each other for traffic that each carries at a loss.

II. GEOGRAPHY

Geography has much to do with the problem. The eastern roads, with structures built primarily for passenger travel, are in the worst shape. By comparison, the railroads of the South and Far West are in a more favorable position. This is because they are located in areas experiencing rapid industrial and population growth, and their structures have been built chiefly on freight, rather than passenger traffic. However, even the carriers of the South and West are beginning to experience increasing difficulties, and the indications are that their problems are growing.

III. REGULATION

It has been said, and I think correctly so, that the railroads are the most overregulated industry in America. The Interstate Commerce Commission prescribes their rates,

Presidential factfinding boards prescribe their wages, public service commissioners of the 48 States prescribe their services—and none of these has any tie-in with the others. None has any managerial responsibility to the railroads.

As one witness graphically put it, "We are being strangled to death by these ropes and strings that enmesh us, pulled by the hands of thousands of politicians, each trying to satisfy some special interest group—either a chamber of commerce, a labor union, a commuters' association or a farmers' cooperative."

A glaring example of excessive State regulations was told by a witness who pointed out that no interstate service can be discontinued, no matter how uneconomic, unless there is approval from the regulatory board of each State through which the train travels. His railroad, serving several States, applied to discontinue four trains. Each State approved the discontinuance of one train, but each State approved a different one, while disapproving the others. As a result, all four trains are still running, but without passengers and without profit.

On this same railroad, passengers on one train pay an average of 23 cents for their fares, but it costs the railroad about $30 per passenger for each trip. The train averages four passengers a trip, is served by two crews of five men each. Yet the service cannot be discontinued.

IV. COMPETITION

A major source of railroad competition has been the growth of private carriage—that is, privately owned trucks, automobiles and even in some cases, private airlines.

One important advantage of the private carriages is that they are exempt from the Federal Government's restrictive, and obviously discriminatory, 3 percent excise tax on freight and 10 percent tax on passengers. This tax, a wartime measure to discourage unnecessary travel and to reserve rail lines for essential military freight, is still in effect. The result has been that some firms have stopped using common carriers and have purchased their own fleets of trucks to carry their goods—thereby avoiding the tax.

The tax weighs heaviest on those farthest removed from centers of manufacturing, because it can be imposed again and again on an article moving from sources of production and processing to the consumer. For example, a bale of cotton scheduled to be woven into a quantity of white shirts passes through these stages: Ginning mill to warehouse, to spinning mill, to weaving mill, to bleaching plant, to sewing plant and finally to the retail store. Six times the cotton is transported and six times the excise tax is imposed—paid for ultimately, of course, by the consumer.

I believe that the removal of the tax would be a booster shot to our sick economy. Even more directly, it could help spur consumer spending by lowering prices, without lessening profits to manufacturers, retailers and transporters. The money lost to the Treasury would be negligible, but even that would be balanced by increased business activity and and greater returns from personal and corporate taxes.

V. RATES

Rail rates are determined and regulated by the ICC and State agencies—determined in such a way that it is not uncommon for a carrier to operate some facilities at a loss. One railroad reported that passenger-service deficits ate up 85 percent of its earnings from its freight service. Another said that it lost about $2 for every passenger train-mile operated. Yet it cannot get an increase in rates from the ICC, nor can it get permission to discontinue the operation of trains from the State regulatory body.

Frequently, the delay in acting on applications for rate changes is astounding. One economist testified that, if the ICC had approved a request for rate increases just 3 months sooner than it finally did, it would have brought into the railroads' treasuries about $1,480,000,000—an amount that might have saved the industry from its present unhappy situation.

VI. LABOR

Ironically, in the face of disappearing profits, the railroads are confronted by ever-increasing labor costs. Last November one major railroad had to increase wages 12 cents an hour—7 cents for a wage increase under a labor agreement and 5 cents to cover a cost-of-living adjustment. About $28 million was added to this carrier's annual payroll expenses. But, in the preceding 12 months, net income for this railroad had declined $22 million. This enormous decline, coupled with the wage increase, means that the railroad will lose an estimated $9 million this year.

We have now reached the point where a serious snowballing effect is taking place. As the railroads' economic condition deteriorates, retrenchment steps are taken, causing further layoffs, lessening consumer purchases, and accelerating the downward trend of our economy.

Labor clearly recognizes its stake in the whole problem, and the need to approach it constructively and helpfully. I believe its leaders see the importance of eliminating obvious make-work practices. Their members' jobs are dependent on the survival of the railroads, for if the railroads, as an industry, go into bankruptcy, and the Government is forced to assume operation, many roads will be eliminated, and thousands of jobs will be wiped out.

A spokesman for the Iron and Steel Institute, Benjamin F. Fairless, told our subcommittee how widely the railroads' troubles are felt. Sales to the railroads previously totaled 6 percent of the steel industry's shipments. Now they are down to 3½ percent—and 20,000 steelworkers will lose their jobs because production has been cut back. This statement was supported by many others, covering a wide range of items in various industries affected by the slipping railroad industry.

In some cities, the entire cost of multi-million-dollar airports has been borne by local, State and Federal governmental agencies. Yet the same cities' railroad stations were built and paid for solely by the railroads. Inland waterways, airports, and superhighways are constructed by public agencies. To use them costs an airline little in the case of airports; a barge line nothing in the case of waterways. User taxes for highway carriers are increasing, but there is doubt that they are yet fully compensatory.

The crippling snowfalls of February and March, for example, cost the Pennsylvania Railroad $10 million. Yet other forms of competing transport used right-of-ways owned by various governments which bore the full cost of snow removal.

What, then, is the solution?

Obviously, it is neither simple nor easy, and it is not to be found in a single program nor in one approach. However, I believe that our subcommittee will be able to agree upon certain areas where we could grant relief and assistance.

But to restore health to the railroads will require more than outside ministrations or legislative action. The patient must also demonstrate a strong will to health and an aggressive spirit to compete in the struggle for existence.

We realize that what we do must be done soon. Some railroad presidents say that their companies cannot last more than a few weeks under present conditions. Therefore, our program will not be as comprehensive, as dramatic, nor as far reaching as we would like. But within the next few weeks, I think we can offer a plan which will grant the railroads new freedom to (1) manage their own affairs, (2) adjust their rates, (3) merge and consolidate, (4) make schedules and operate trains, (5) approach the money sources of the Nation and (6) compete on an equal basis.

We realize that the railroads cannot be classified as 19th-century museum pieces, confused and helpless to cope with the problems of a 20th-century world. They are a vital, uniquely essential transport system—still carrying about 50 percent of America's intercity freight, and 1 of every 3 intercity passengers. But, too, they are no longer a transportation monopoly, and the hobbling restrictions placed on them in a day when they were dominant must be loosened. Realistic assistance for the railroads is an immediate need—not just for the railroads, but for the health and strength of our Nation. That need we in the Congress hope and expect to fill.

SENTIMENT OF WISCONSIN ON PUBLIC ISSUES

Mr. PROXMIRE. Mr. President, like many other Members of Congress, I have just returned from a 10-day tour of my State. I visited 9 out of 10 of the Congressional Districts of Wisconsin. By actual count during this period I personally met with more than 10,000 people in my State. I visited 10 plant gates, made 46 speeches, met with hundreds of farmers at farm rallies. I also conferred with many business leaders from a variety of industries and every section of Wisconsin at chamber of commerce and service group get-togethers. I held office-hour receptions in various sections of the State, and attended Democratic Party meetings, labor-leader meetings, symposiums with college students and faculties, and meetings called by mayors to bring together top labor and management officials to discuss the problem of securing more jobs.

Generally, I found the people of Wisconsin deeply concerned about the sharp drop in dairy-farm income and its destructive effect on Wisconsin small business and working people. I found a nearly unanimous opinion in favor of overriding President's Eisenhower's veto of the farm price support program. A preponderance, though not a unanimity, of opinion favored extending and improving unemployment compensation and increasing social-security benefits. To me, a surprising difference of opinion was expressed on the desirability of a tax cut, with working people and farmers having less faith in the efficacy of such a cut, and business groups warmly favoring tax reduction. A heavy preponderance of opinion favored the action Congress has already taken to step up the housing program, and the highway program, and advocated Congress moving ahead to provide more jobs through the community facilities program which is a current order of business of the Senate.

Of course, Mr. President, there were many other problems of deep concern to the people of Wisconsin, including the overwhelming issues of war and peace, education, consolidation and strengthening of our Armed Forces. But the economic future seemed to be clearly uppermost in Wisconsin minds.

The one universal reaction I found in Wisconsin was the desire by the people of our State for more forthright vigor-

ous and positive leadership by the Federal Government to achieve a prosperous America.

Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

UNITED STATES IN WORST POSTWAR DIP

Mr. PROXMIRE. Mr. President, the most serious difference of opinion divides this country and this body. It is whether the economic slump in which we find ourselves will solve itself if left alone, or whether it will require substantial and decisive action by the Federal Government. Many Senators will determine whether action or inaction is preferable by the facts of economic life as they develop. Mr. President, I call the attention of the Senate to an article on the front page of the New York Times this morning, which reports that this country is in its worst postwar slump. This article is solid support for those who feel that it is time to act.

Mr. President, 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:

UNITED STATES IN WORST POSTWAR DIP AS MARCH OUTPUT DECLINES

(By Edwin L. Dale, Jr.)

WASHINGTON, April 14.—The 1957–58 recession qualified today as the deepest of the 3 postwar slumps. As reflected in the index of industrial production, the decline reached 11.7 percent in March, the Federal Reserve Board reported.

In neither of the other 2 slumps did the drop in this major indicator exceed 10.5 percent from peak to trough.

The Board's report came as Congress reconvened after a 10-day recess, with the business slump remaining as one of the top 2 or 3 issues.

Today's report put industrial production for March, seasonally adjusted, at 128, with the average of 1947–49 as 100.

WAS 145 IN AUGUST 1957

When the recession began last August the index was 145. The high point was 147 in December of 1956. The decline from that point has been 13 percent.

The March figure was 2 points below February's—a slightly smaller drop than the average monthly decline of 3 points from October through February.

But the two-point dip brought output down to the lowest point since November 1954, when the economy was just beginning to pull out of the 1953–54 recession.

[In Detroit it was reported that automobile companies had cut back their planned production for the second quarter by 99,000 units.]

In another report, the Labor Department said today that housing starts in March, though higher than February in line with normal seasonal expectations, remained at a rate lower than at any time since early 1949.

Starts totaled 79,000 in March. The key figure was the seasonally adjusted annual rate of private starts—880,000 in March, or about the same as the depressed level of 890,000 in February.

However, there were several straws in the wind pointing to an upturn in housing starts later in the year. The rate of applications for Government mortgage insurance or guarantee has picked up markedly in the last 3 months.

For example, the annual rate of applications for Federal Housing Administration insurance has been running about 260,000, compared with only 150,000 actual starts last year.

The number of Government-backed housing starts tends to determine the total, because conventionally financed starts fluctuate only slightly.

Today the United States Savings and Loan League reported that mortgage lending by savings and loan associations—a good indicator of the total of conventional financing—had increased a little in the first 3 months of this year over the like period of last year.

WOULD PUSH TOTAL UP

Thus the prospective upward movement of Government-backed starts, which should result soon from the higher pace of applications, is expected to bring a higher total.

Also, the Air Force announced today it had scheduled 56,820 units of family housing under the military housing program. Of these, however, 4,576 have already been completed and 16,339 are under construction.

The announcement said the 35,905 others "will be scheduled as rapidly as financing details are completed."

In another development today, the administration expressed its opposition to an antirecession bill. This would add $112 million to the Federal share of airport construction by local governments in fiscal year 1959, beginning July 1.

BACKING IS REPORTED

The legislation is sponsored by Senator A. S. (Mike) MONRONEY, Democrat of Oklahoma, and is understood to have the backing of party leaders.

Louis S. Rothschild, Under Secretary of Commerce for Transportation, opposed the legislation, saying "It is time for the Federal Government to be able to look to curtailment of its contributions to airport development and improvement, rather than expansion of its spending in that area."

Mr. Rothschild argued that tremendous expenditures would be required in the coming years for improvement of navigation and communications systems.

He opposed not only the extra $112 million for fiscal 1959 but also the provisions in the bill calling for $100 million a year for the following 3 years.

Today's report on industrial production showed declines in March in steel, nonferrous metals, crude oil, machinery, and automobiles.

The output of other consumer durable goods was unchanged at sharply reduced levels and there were minor dips in chemicals, paper, and printing.

The Reserve Board's summary of March developments noted declines in industrial production, employment, incomes and retail sales. But it said these declines "were not so large as in the previous month."

It said construction "was maintained at advanced levels." Wholesale prices outside of the farm sector "continued to change little," the report said, and farm and food prices "leveled off after rising sharply in February and early March."

ONLY 11 WEEKS TO GO

Mr. PROXMIRE. Mr. President, in yesterday morning's Washington Post the brilliant columnist, Joseph Alsop, has a splendid column which puts some solid flesh on the bare-boned statistics of unemployment. He tells a moving, human story of the tragedy which is developing in America in the failure of Congress to extend and improve unemployment compensation benefits.

Mr. President, 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:

ONLY 11 WEEKS TO GO

(By Joseph Alsop)

DETROIT.—Here in this great capital of the limping motor industry, the Eisenhower administration's wait-and-see approach to the depression does not look very sensible.

If you want to be convinced, just drop in at UAW Local, No. 3, across from the big, dingy old Dodge motor plant in Hamtramck. Then spend a day or so ringing the doorbells of the endless rows of little 1-and-2-family houses inhabited by Dodge and other Chrysler Co. employees in Hamtramck and East Detroit. What you see in them is the cruel letdown of a vast army of industrial workers by the system they have been taught to trust implicitly.

The morning I went there, Pat Quinn, the president of the Dodge local, was leading a protest march of jobless auto workers to the State capital in Lansing. So all activity temporarily centered in the small office of "Big Pete" Telisky, the local's tall, sallow-faced, hot-tempered vice president.

I had hardly introduced myself when Richard, a still-young man who had been working for Dodge for 10 years as a crane and elevator-hoist operator, rather hesitantly entered to ask "Big Pete" if he knew "anywhere they were hirin'." "Big Pete" said bitterly: "Boy, you can't buy a job in this damn town." Richard nodded disconsolately, as though this were the answer he expected.

It was a rough answer for him, all the same. His father, who worked for Dodge for a quarter century, had bought a house on time just before he died 5 years ago. In those days, both father and son were working, so the payments of $75 a month had been easy to carry. Richard had managed pretty well alone, too, when he was bringing home $80 a week. The car, the furniture, the washer and dryer and television were all paid for, and he had kept his mother and younger brother fairly comfortable.

But now the little family's whole income was down to $42 a week of unemployment benefits. Those house payments took nearly half. Richard had "tried everything, even janitor." So had his 17-year-old brother, "but they ain't even hirin' boys in stores." And worst of all, "we only got another 11 weeks of benefits to go, and after that there'll be nothing but the welfare."

Richard was followed by sturdy old Charles, 15 years a torch welder, who "done all the show jobs for the company except 1 year." After Charles came Herman, the slow-spoken southerner, who was threatened with repossession of his car. The procession went on all morning, and all the men who came had the same essential problem.

All suddenly had their income cut in half, after 9 or 10 or 11 years of steady work on the same job. Like most of Detroit's other tens of thousands of jobless auto workers, all were now between 9 and 13 weeks away from the end of their unemployment benefits, when there would be no income at all. All had time payments to make, which they could hardly carry even now. Richard, indeed, was the luckiest, for no other man I saw had paid for everything except his house. The Detroit Welfare Department will at least try to help Richard keep his house, by offering the mortgageholder the money allowed for relief recipients' rent.

Ringing doorbells along the gray streets, the story was again the same. Only here, it was grimmer and more poignant, for one actually saw the furniture and the washers and the cars and the homes that were in danger. One saw the children who drink water now, and the harassed wives who

didn't know how they could manage much longer, and the men who seemed unable to overcome their surprise at being at home on a working day.

As time went on, one became obsessed by the thought of the end of the 26 weeks (of benefits), which all these people spoke of with a sort of defeated dread.

Maybe Congress will pass the bill adding another 13 weeks to the 26. Maybe automotive employment will pick up again, when the time for the new models comes in September. But even so, half the things these people have gained will be lost in the interval, because "we just can't meet the payments and feed the kids."

Then, if there are no jobs to be had when the benefit period ends, the whole pattern of life of all these people will simply fall into squalid ruin. And they stand, remember, for many hundreds of thousands of jobless industrial workers in scores of other cities besides Detroit.

IS IT EASIER TO BORROW MONEY?

Mr. PROXMIRE. Mr. President, a prime cause of the present recession has been the hard-money policy of this administration. High interest rates and the absence of credit have literally destroyed many small businesses, and have sharply reduced job opportunities, by prohibiting sound and necessary construction of schools, streets, bridges, hospitals, and other community facilities. They have almost wrecked the housing and automobile industries, both of which depend so heavily on financing. The administration's answer to all this is that, since the present recession became serious, the Federal Reserve Board has sharply reduced the discount rate and has increased bank reserves. This policy is good so far as it goes; but I wish to point out to the Senate that it does not go nearly far enough. The current issue of U. S. News & World Report carries an article which indicates that the interest rate will remain high throughout this year for small-business men and automobile and home buyers. Mr. President, this article provides solid documentation for the position a number of Senators have taken; namely, that the Federal Government should act promptly to make low-cost credit available to municipalities, under the community-facilities bill; to small-business men, under the Small Business Investment Administration Act of 1958; and to the home buyers, under the omnibus housing bill.

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

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

IS IT EASIER TO BORROW MONEY?—HERE'S A REPORT FROM LENDERS

Ordinary borrowers can't count on cheaper loans this year.

That goes for small-business men, and consumers on their installment loans. Reductions in mortgage rates will be small.

That is the prospect shown by a country-wide survey.

The cheap credit that Government has been fostering for nearly 6 months is not working its way down to the average borrower very fast. So far, the ordinary individual finds he has to pay just about as much as before for a loan.

A nationwide survey by U. S. News & World Report shows this:

Home buyers in some cities are getting mortgage loans costing one-fourth of 1 percentage point less—say 5¼ percent instead of 5½ percent. In some cases the reduction has been as much as one-half of 1 percentage point. Yet, in a great many places mortgage loans have not come down at all.

Businessmen, particularly small-business men, find little change in their borrowing costs at banks. Most banks trimmed their interest charges for better customers in January, when the rate on prime risks dropped to 4 percent from 4½ percent, and another cut is expected. But small borrowers have gotten no reduction.

Families, on their installment loans, find no change in interest charges—none, at least, in most cities.

The prospect, as viewed by lenders themselves, is not for any important decline in interest charges for the average borrower in the months just ahead.

WHAT'S HAPPENING

The treasurer of a large eastern bank notes one reason why banks are slow to reduce interest charges.

"A third of our deposits," he reports, "are savings accounts. And on those we're committed to pay depositors 3 percent interest. How can we reduce our own lending charges very much when we have to pay 3 percent for that money?"

An officer of a big west coast bank says: "California banks generally went to 3 percent, from 2 percent, on savings accounts on January 1, 1957. Now, we're committed to that at least through this June 30."

"You can bet," notes this California banker, "that, before we tell people we're cutting back on the interest rate we pay them on savings accounts, there's going to be a lot of soul searching around here."

Another barrier to reduced charges is pointed up by the president of one of the big banks in New York City. In the boom that ended last year, he recalls, banks put a very high proportion of their deposits out on loan, compared with amounts invested more conservatively in high-grade bonds and notes.

Now, in a recession, banks are using more of their funds to build up investments. That helps explain why, as one banker reports, "banks do not feel under any pressure yet to push money out to borrowers."

It also helps to explain a sharp contrast among borrowers' positions. For those who sit down at a desk with a lender and bargain for a loan, interest charges have changed but little. But, for borrowers who raise money by selling bonds or notes to the public, interest costs in the past few months have had their sharpest declines on record. That applies to corporations, States, localities, and the United States Government.

HOME FINANCING

For the ordinary individual, about the only reduction in interest rates has been on mortgage money, and even here the change has been small.

In Topeka, Kans., Henry A. Bubb, president of Capitol Federal Savings and Loan Association, reports that rates on conventional home loans—those not insured or guaranteed by the Government—"have been reduced on better-located properties and on loans of no more than 70 percent of property values. On these, the going rate in Topeka now is 5¾ percent, with a few at 5½."

In New York City, John Adikes, president of the Jamaica Savings Bank, says: "Interest on conventional loans now is at 5½ to a low of 5 percent, down a quarter to one-half of a percentage point." He expects some further decline in mortgage rates generally.

In San Francisco, the spokesman for a big mortgage lender reports no change in the typical 6-percent rate charged by his organization on conventional loans.

From San Diego, however, comes this report from Nels G. Severin, large-project builder and president of the National Association of Home Builders: "Interest charges now are lowering from the high of between 6.6 percent and 7.2 percent. I believe an attractive loan can be developed with a 6-percent rate today."

And in Detroit, Walter Behrke, board chairman of the First Federal Savings and Loan Association, says, "Our own recent survey indicates Detroit banks and savings and loan associations have dropped their conventional-mortgage rate ¼ of 1 percentage point since the first of the year. Our rate is 5½ percent. We don't expect conventional rates or terms to ease much in the period just ahead."

Aside from interest rates, nearly all these lenders agree, home buyers are getting one break. More and more loans are being made on terms of the Federal Housing Administration, including the low down payments permitted on FHA-insured loans. And most lenders say they are going along with the recent reductions in FHA's minimum down payments. More homes, thus, will be bought this year with very small cash outlays.

BUSINESS CREDIT

There has been almost no change in the cost of business loans from banks except for big companies with the very best credit positions.

A west coast banker, for example, says: "Sure, we went along with the drop in the prime rate to 4 percent. But there's been absolutely no change for the small borrower." Small businessmen pay 6 to 7 percent for their short-term credit at this bankers' loan window.

A Washington, D. C., banker explains the "stickiness" of interest charges on small loans to business this way: "We can't cut the interest charge on small loans much. There's always a certain amount of cost to us in handling any loan. Naturally, in relation to the size of the loan, the cost of a small loan is far larger than the cost of a big loan."

Other bankers point out that, while loan charges for small businessmen have not come down much, if any, neither did they rise as much as they did for big borrowers in the tight-money era that ended in 1957.

WHAT THE FIGURES SHOW

Official figures bear that out. The average rate on small loans to business in 19 cities around the country rose from 5 percent for all of 1955 to a high of 5.67 percent in the 3 months ending last September 30. For the biggest loans, the average rate jumped from 3.5 to 4.7 percent.

On the other hand, bankers agree that businessmen will find money easier to get, if not cheaper.

INSTALLMENT LOANS

Cheap and easy credit does not show itself in the slightest in the charges made on typical installment loans to American families.

One reason is offered by an economist for Household Finance Corp., with its subsidiaries a leading maker of small loans to families for emergencies and for combining many small debts into one: "The maximum rates permitted are limited by the State small-loan laws under which we operate. Reduction of our charges below those rates is unlikely, because current conditions result in increased delinquency, higher charge-offs, and increased investigation costs."

The president of an eastern finance company that lends indirectly by purchasing the installment contracts made by auto and

appliance dealers reports: "Charges on contracts have not been reduced in the recent past. Nor has there been any trend toward easier credit or a relaxing of down-payment requirements or other terms. Our feeling is that no such trend will develop in the near future."

A spokesman for a leading west coast lender, Pacific Finance Corp., agrees, "Charges on consumer loans are governed by State law. Typical charges for financing new and used cars remain about the same—with typical new-car rates at 6 to 7 percent. We do not expect any change in terms, charges or availability of consumer loans in months ahead."

One eastern banker points out that charges on consumer loans seldom rise or fall much as money tightens and eases. Reason, he says, is that all "these small loans have a basic cost for handling, even when collection expenses are at a minimum."

George A. Murphy, president of the Irving Trust Co., New York City, puts it this way: "There's been no change in our rates on consumer loans. They were not raised during 'tight' money, nor have they been reduced now."

What's ahead for the ordinary borrower? Not much reduction in interest charges, according to most lenders.

The American people, in a mood to save, are putting more money into savings bonds. For the first time since mid-1956, people are buying E and H bonds faster than they are cashing those bonds.

Purchases, at $418 million in March, were 14 percent larger than in March of 1957. Cash-ins, at $396 million were down 10 percent.

If these purchases hold up, the Treasury will easily achieve its goal in the 1958 savings bond campaign. A result of all this, however, has been to raise a new issue for Government.

President Eisenhower last week was asked in a news conference why he is urging people to buy things in order to end a slump, while the Treasury is urging people to be thrifty and buy bonds. The President's answer was that people should "be selective" in buying.

Now, Treasury officials have explained the official position.

GOAL: MORE SAVERS

"What we're stressing," explains an official, "is the idea of a larger number of regular purchasers of savings bonds—not larger purchases. Every family needs a program of regular saving. The purchase of savings bonds through the payroll deduction plan is one way to achieve that. The payroll plan for savings bonds, in fact, offers the only way a family can save completely automatically and invest entirely risk-free."

And what about cashing in savings bonds to buy things now?

An official answers that this may be the time for many to cash in their bonds.

"Most savings-bond buyers," it is explained, "are saving for particular purposes—a new car, a downpayment on a home or some other major project. In 1958, as in every year, thousands of families will decide the time has come to use their savings. But families still need programs for systematic saving."

How is the Treasury coming with its drive to spread the use of payroll savings plans?

Here's the official answer: "We can judge by the sales of small-denomination bonds—the $25, $50, and $100 E bonds that are bought typically by people on payroll-deduction plans. Sales of these have had a steady rise. Ever since 1955, when sales of big bonds, and of all bonds together, turned down, the sales of these small bonds have gone right on up. We sold $1.9 billion worth of those bonds in 1951 and $2.6 billion last year."

That, it is explained, is just what the savings-bond drive is for.

SOVIET HYDROELECTRIC PROGRESS

Mr. PROXMIRE. Mr. President, a great United States Senator, from the State of Washington [Mr. JACKSON] has written one of the finest articles on the economic basis for our military strength that I have read. In the article, the Senator from Washington points out the immensely important implications of the enormous Soviet gain in electric power, not only absolutely, but in comparison with the developments in this country.

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

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

SOVIET HYDROELECTRIC PROGRESS—SENATOR URGES UNITED STATES SPEEDUP AS REDS PUSH VAST POWER DAM CONSTRUCTION

(By HENRY M. JACKSON, United States Senator from Washington)

Soviet advances in the field of hydroelectric power are not nearly so spectacular as their sputniks. But, in the long run, the hydro advances may be equally as important.

This is because it is the avowed goal of the Kremlin to overtake the United States industrially within 15 years.

The Kremlin cannot achieve that goal without broadening its economic base. Electric power is one of the keystones of industrial expansion. The Soviets know this—and they are acting accordingly.

While our own Federal multipurpose dam program has been braked to almost a dead halt during 5 years under this administration, the Soviets have been stepping on the gas pedal.

"Right now," the Senate Interior Committee was told recently by Maj. Gen. E. C. Itschner, Chief of the United States Army Corps of Engineers, "Soviet hydroelectric development appears to be roughly equal to ours in amount. However, their rate of increase is greater than ours * * * the construction program appears to have gathered a momentum which has not yet reached a peak."

For example, he pointed out, the Soviets now have under construction or in the advanced planning stage 10 separate dams larger than our own Grand Coulee.

One of the Soviet dams, according to Army intelligence reports presented by General Itschner, will have 6 million kilowatts. This is three times the generating capacity of Grand Coulee Dam. It is greater by itself than the 5.25-million kilowatts capacity of all the dams built by the Corps of Engineers.

"Just five Siberian plants," General Itschner also testified, "will have a combined capacity half again as great as the total hydro capacity of all Federal projects in the United States, taking the Corps of Engineers, the Bureau of Reclamation and TVA together."

I do not find it hard to believe these reports, for with my own eyes I have seen some of the Soviet accomplishments in this field. A year-and-a-half ago when I toured the Soviet Union I inspected a dam at Stalingrad on the Volga River which, when completed soon, will have 2.3 million kilowatts of generating power compared to Grand Coulee's 1.9 million.

Significantly, the Russians with whom I talked were not overly boastful about this dam—they were looking forward to bigger things.

At my request, the Library of Congress recently completed a research paper on Soviet hydroelectric developments, based on Soviet documents. The library's report indicated that 4 percent of the Soviet Union's new capital investment is going into river development.

In 1956, the Library reported, the net addition to installed capacity was about 40 percent of the total hydropower capacity in the U. S. S. R. at the beginning of the same year. The report added:

"A still higher rate of expansion is projected for the next 3 years immediately ahead."

The Soviet Union understands the meaning of comprehensive river development, too. Reclamation, irrigation, and navigation go hand-in-hand with power development.

Likewise, new industrial complexes are being built around the new Siberian dams which are close to the source of raw materials. And a national transmission grid is being built to bring electricity generated at remote hydro sites to industrial centers.

This is only a partial picture of what the Soviet Union is doing in its effort to make good the boast that it will overtake the United States industrially by the mid-1970's.

It should give all Americans cause to pause and reconsider national policy that has refused to recognize the need for Federal development of our power potential.

Our economy is in a different state of development from the Soviet Union's. Perhaps we need not give the same emphasis to hydroelectric development as it does. This does not mean we can continue to sit on our hands.

We have an immediate and additional need for Federal projects to reverse a growing unemployment trend. But, even more important, in the long run we need more power, more reclamation, more irrigation, and more navigational projects. We must keep adding to our own economic base so that the Soviet boast of industrial supremacy will never come true.

PAST AND FUTURE INFLATION

Mr. PROXMIRE. Mr. President, perhaps the most puzzling and difficult economic problem facing America is long-term inflation. The rising cost of living has been a particularly cruel force in American economic life. The outstanding financial writer, Sylvia Porter, has written a splendid analysis of this problem, and it appears in the April 6 issue of the Washington Star.

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

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

PAST AND FUTURE INFLATION

(By Sylvia Porter)

In 47 of the last 87 years, the value of the dollar has fallen and in only 25 of these years has it gained in buying power.

The longer-term inflationary trend is apparently inevitable says the Boston financial firm of Vance, Sanders & Co. And after offering as statistical evidence the calculation you've just read, the firm reminds us that the noted historian Arnold J. Toynbee has reported that he has never come across an instance in which the value of money of any country in any period of history increased over a long period of years.

In the last 17 years of unparalleled expansion in the American economy, the United States dollar has declined to less than half its 1940 buying power.

DECLINES ARE OUTLINED

The dollar which bought 100 cents of goods and services in the retail markets in 1940 now buys 49 cents worth; the dollar which bought 100 cents of goods and services in the wholesale markets in 1940 now buys only about 43 cents worth. If you figure the total value of all goods and services in terms of 1940 dollars, our gross national product today is not the oft-publicized $433 billion. It's $212 billion.

"The erosion in the dollar's value cannot be halted," declares the internationally known currency specialist, Franz Pick, in his new booklet, The United States Dollar—Requiem for a Dead Half. And after warning readers that his study is not pleasant reading and submitting a really terrifying array of statistics to illustrate the debasement in the dollar since 1940, Mr. Pick confirms Mr. Toynbee with the observation that throughout the 6,000 years of monetary history, currency has had to be debated or devalued in order to keep countries alive.

Even in the midst of this worst business recession since World War II, the fundamental belief of virtually every authority I've checked is that inflation remains our long-term threat.

Even the men who still think this recession is far from over are convinced that inflation will emerge as our most devastating economic danger in the sixties.

STOCK PRICES HOLD UP

This belief helps explain the relative stability of stock prices so far in this business decline. Holders of stocks recognize that stocks are an important hedge against a decline in the dollar's value, but they figure the long-term price trend is in their favor. In all of the 30-year periods since 1871 studied by Vance-Sanders, stock prices on average advanced.

This conviction about inflation also helps explain the uptrend of land prices in many areas. As Mr. Pick puts it, "Land surrounding large cities, near industrial plants and roads, has a good chance to keep its value in stable dollars. Excellent farm land will conserve its worth. Homes, especially if mortgaged, will in the long run maintain their value in stable dollars, provided the neighborhood remains in good condition."

This awareness about the dollar's history helps explain why wealthy, shrewd individuals continue to put their funds in paintings of excellent quality, in antiques, in old manuscripts. These, too, have risen in price as the dollar's buying power has declined over the years.

Of course, we can solve the problem of long-term inflation in our Nation—if we have the understanding, courage, and determination to tackle it.

But our record so far has been dismal. Right now, as we move to combat the 1957–58 recession, we are building up new forces for a future inflation. Whether we'll have the understanding, courage, and determination to lick it when inflation again becomes the dominant danger, is still to be seen.

ECONOMIC POLICY AND SURVIVAL

Mr. PROXMIRE. Mr. President, one of the finest articles on our economic problems to appear this year was published in the Washington Star of April 6. The article was written by Forrest D. Murden.

Mr. President, I ask unanimous consent that this excellent, informative, and enlightening analysis of our economic problems be printed in the RECORD at this point, following my remarks.

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

ECONOMIC POLICY AND SURVIVAL

(By Forrest D. Murden)

With only 6 percent of the world's population, the United States is the world's greatest trading nation and the American economy represents almost half the economic activity of the world outside of the Communist bloc. Our total foreign trade is equal to 20 percent of the combined national output of the underdeveloped areas and equal to the overseas commerce of all the rest of North and South America combined. These facts compel our allies and friends—both in the advanced nations and in the underdeveloped areas—to recognize the stake which they have in a strong and expanding American economy.

Conversely, however, our foreign trade, large and varied as it is, represents only about 5 percent of our gross national product, and our prosperity depends less on outside economic forces than that of any other free nation. This means that the impact of our foreign economic policy is felt much less at home than it is abroad.

Yet, as our population grows and our national resources become depleted, we are becoming increasingly dependent on foreign trade. What is more, our future growth may not be possible unless it is matched by similar advances in the remainder of the Free World. Unfortunately, the extent to which our foreign economic policy influences not only our domestic economy but our entire strategic position is often not generally understood by the public or reflected in Congressional action.

What can be done about this? It may seem painfully obvious to say that our foreign economic policy should be an integral part of our foreign and domestic policy and should be designed to support our interests abroad. In point of fact, however, this is not only a relatively new concept but one which is in practice frequently brushed aside.

This is true for several reasons—(1) our failure to define clearly our national aims and to relate them to our foreign economic policy; (2) the sharp conflict between the national interest and specific and local pressures in formulating policy with respect to shipping, agriculture and the setting of tariff rates, and (3) our traditional inclination to subordinate foreign policy to domestic economic activity, the strong protectionist bias in some areas and industries—which has recently shown a vigorous revival as part of what may prove to be a rising neoisolationism—and other deep-seated inhibitions.

TWO GIANT FORCES

Today the United States must devise a policy adequate to meet the challenges of a world crisscrossed by two giant forces: Communist expansion, and the developmental surge of the newly independent peoples of Asia, Africa and the Middle East.

The first is hostile, opportunist and subversive; the second dynamic, unpredictable and explosive. To neglect one in order to meet the other would be shortsighted and possibly disastrous.

This does not imply that our policy should be schizophrenic but that we must concentrate on securing the kind of world we want to live in—a world of democratic ideas and institutions with emphasis on the importance of the individual—and mold our policies toward that end.

What does this mean specifically for United States policy toward Western Europe, our major ally and trading partner? Europe's growth is of paramount concern to our own economic vigor and security, and our foreign economic policy must work toward that end.

Despite disturbing symptoms, particularly Britain's difficult fiscal position and France's inflationary crisis, Europe's economy has, on the whole, achieved a remarkable postwar recovery, growing recently at a more rapid rate than our own. A new Europe is in the making, which, if successfully established, will have a single market with related political institutions in common. Current prosperity, largely induced through an industrial renaissance, has helped to pave the way for integration, and it is hoped that resulting regional trade will accelerate further growth.

The present hopeful development is not without apparent thorns. On the one hand, the formation of a close-knit European economic community and an associated larger free-trade area will squeeze some American exporters, at least in the short run. On the other hand, there should be enhanced opportunity for direct investment and, in time, increased demand for our goods.

The basic issue is what turn the proposed common market will take. Will it work to increase trade both within and outside Europe, or will it become an autarchic soft-currency bloc hostile to dollar trade? A common market working to divert trade from the United States would do a disservice to our economic interest.

NO OSTRICH POLICY

This suggests that our attitude toward Europe's integration should be not ostrich-like but realistic, and that we use our negotiating influence—which needs to be increased by Congress—to insure moderate European tariffs and to prevent additional quantitative barriers. More important, our general policy should seek to create the kind of healthy world economy into which Europe's common market and similar proposed regional undertakings (which are now being studied in Latin America, Scandinavia and other areas of the world) can fit and grow toward freer trade.

Such a program would call a halt to our resurgent protectionism, which is being pushed by a handful of industries and was reflected in the 1956 campaign platforms of both political parties. Among other things, it would eliminate or revise the peril-point and escape provisions in our tariff laws, renew and extend the Reciprocal Trade Agreements Act, vigorously tackle the problem of currency inconvertibility, and generally work toward expanded multilateral trade and payments.

It is shortsighted, for example, that at the very time when in Europe a competitive if friendly market, with a population as large as our own and a combined annual output of roughly $100 billion, may come into being, we have resisted participation in the Organization for Trade Cooperation that would strengthen GATT, which provides the one set of global trade-rules in existence. This is all the more ironic when we consider that in the future GATT may well be the instrument by which we not only expand our trade but by which we shield it.

Meanwhile, the dynamic nationalism which is sweeping the vast underdeveloped areas heavily underlines the importance of strengthening the world's economic fabric. Although our assistance efforts are unquestionably motivated by generous impulse and served by dedicated personnel, so far they have been fumbling and their results diffused. Moreover, the need for continued and improved programs of economic assistance to the uncommitted countries, especially as contrasted with the need for military assistance, has not been sufficiently justified to the public at home so that broad-based support could be developed for Congressional indorsement.

The facts are clear. The underdeveloped countries and their nearly 2 billion people are not here to stay as they are—diseased, undernourished, illiterate, impoverished, overpopulated—but to change, and to change rapidly. These areas of the Middle East, Latin America, Asia, and Africa share a common awareness of their problems and a passionate conviction that they can offset the growing divergence between their living standards and those of the West.

Our choice is to render at least marginal assistance, accompanied by thoughtful counsel, or stand by and watch these peoples resort to the sure-fire totalitarian method of development. With or without Soviet competition, the situation of the depressed nations would be dangerously explosive. Communist exploitation of their plight has added another dimension that should cause us concern.

What is our primary interest in helping these countries? There is no question but that we have strong economic interests in these areas, not unrelated to our defense potential, as well as traditional humanitarian ties going back to the work of the early missionaries. But our first aim is to keep these strategic areas free and friendly.

FIVE DECISIONS NEEDED

If we accept assistance to the development of these areas as an enduring phase of our foreign policy, then certain related policy decisions must also be taken. These recommendations, which have been made for the most part in the recent surveys of foreign aid by Congress and the executive branch, are:

1. Although political facts of contemporary life dictate our constant alertness to Soviet competition, we must pursue a course of action independent of worry about Russia, rendering assistance which is economically sound.

2. We must plan to make long-term commitments instead of the present annual practice of "pulling up the radishes to see if they are growing" approach. This would argue, where feasible, for the use of liberal-term loans rather than grants.

3. Overall economic planning for any country must be made in terms of total assistance. However, for public relations and practical reasons—both at home and abroad—development and military aid should be separated in the field. Under the present method of budget allocation, which blends military aid with Government aid, it is not generally realized that our development grants to South Asia and the Middle East, for example, are running less than $300 million a year.

4. Since our capital and technical assistance can only be marginal, at least, to the self-help measures of the developing country, efforts must be concentrated on those undertakings to which private investment is least likely to be attracted. Moreover, although it is generally recommended that we avoid political strings on our aid, this does not rule out the right to insist that the recipient countries carry out essential reforms.

5. The consensus of recent studies is that the bilateral rather than the multilateral or U. N. channel for assistance is the one most consonant with the security thesis underlying our aid. Certainly, if we rightly read the handwriting on the Congressional wall, it is unrealistic to expect that the United States will, in the near future, participate in the Special United Nations Fund for Economic Development or other large international financing ventures. This would not prevent our agreeing to administer aid through multilateral agencies along the lines of the Colombo plan pattern.

Above all, it is desirable that our assistance efforts recapture the spirit of point 4 and the high morale and sense of dedication which it inspired both at home and abroad. Through the intrinsic nature of our values and institutions we have a potentially decisive advantage over the Communists.

REDS ARE PROGRESSING

In building a more effectively functioning international economic system we are faced with the formidable problem of growth in Russia and China at rates apparently more rapid than those in the Free World. Although there is good reason to believe that this growth may soon taper off, Russia's impressive industrial advance and its outpouring of trained and scientific manpower cannot be minimized, especially in the light of its apparent aim and capacity to penetrate underdeveloped areas.

The answer to Russia's challenge can only be found in bolstering our economy and that of our allies by sustaining a high level of multilateral trade and Free World cooperation rather than by relying on commercial embargoes.

New opportunities for economic policy to support our political aims in the Communist area are offered by the stirrings of independence in the satellites of Eastern Europe. Modest economic assistance to countries such as Poland, if handled with care and skill, can become an important factor in reducing their dependence on Moscow.

What kind of foreign economic policy should the United States have?

The answer in principle is clear, although it may not be easy to implement in practice. It must be a policy that is part and parcel of our national strategy and that serves our overall interests and objectives. It must be a policy that consistently and purposefully looks—even in daily application—toward a free and expanding world economy and does not give way to vested interests, crash programs and negative solutions.

Whether we be formulating our attitude toward Europe's common market, extending technical assistance to Southeast Asia, disposing of surplus wheat, of fixing the height of the tariff on Japanese textiles, our decisions should promote a broad framework of multilateral cooperation. This implies an emphatic recognition on our part that we can only continue to grow and prosper and to maintain our relative strength with respect to the U. S. S. R. if the remainder of the Free World does so also.

Such a positive policy is possible of achievement only if it is supported by broad public understanding, and if we are sensible enough about our long-run welfare to make the necessary short-run adjustments and to pay the necessary bills.

OPPOSITION TO PROPOSAL TO BAN TIME AND LIFE MAGAZINES FROM SCHOOLROOMS

Mr. PROXMIRE. Mr. President, I rise in protest against the proposal of Mr. Paul E. Elicker, executive secretary of the National Association of Secondary School Principals, that Time and Life magazines be banned from the classrooms of America.

Mr. Elicker has based his proposal on the disagreement with a series of articles which Life magazine is publishing and which drastically criticize American education.

I believe that these articles constitute a brilliant analysis of what is wrong with American education, and include some very constructive suggestions for its improvement. Life magazine has done a superb job in calling the attention of the American people to what is rapidly becoming our most serious weakness.

Mr. President, even if I did not approve of the articles in Life magazine, even if I felt that they were truly in error, I would protest just as vigorously the censorship proposed by Mr. Elicker.

Mr. President, the open mind and the right to disagree are fundamental to American freedom. I think it is shocking that an executive secretary of a great educational association would subvert this principle by suggesting the prohibition of school distribution of two of America's great magazines, because he disagrees with the policies they propose.

Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

PRE-SPUTNIK ILLS NOW COME TO LIGHT: WE FAIL TO HONOR LEARNING AND LEISURE

Mr. PROXMIRE. Mr. President, one of the finest philosophers in American life, Mortimer J. Adler, has written a splendid article on the tragic failure of the American people to honor learning and the intellectual life. This failure may well be the Achilles heel of our American Republic.

Mr. President, I ask unanimous consent that the splendid analysis by Mr. Adler, as published in the Washington Post on April 6, 1958, be printed in the RECORD at this point, following my remarks.

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

PRE-SPUTNIK ILLS NOW COME TO LIGHT: WE FAIL TO HONOR LEARNING AND LEISURE

(By Mortimer J. Adler)

Those of us who have been complaining for the last 20 years about the dismal failures of our school system take grim satisfaction in all the Johnny-come-latelies who, panicked by sputnik, now seem to be rushing to our side.

What they are discovering is wrong with American education was wrong with it before technological warfare reached its present pitch and would be wrong with it if Soviet Russia did not exist or if the cold war were replaced by a state of permanent peace.

The motives of national security or fear are at best accidental reasons for seeking to remedy what is wrong. At worst, such motives are as immoral as obeying the law from fear of getting caught and punished instead of from recognition of the justice of its commands.

The essential trouble is not that we are producing too few scientists, engineers, and technicians, even though that is the case and even though we sorely need them for the technological advances so important to our economy and military prowess. Our failure goes much deeper than that.

We are producing too few men who are prepared for the responsibilities of democratic citizenship, for economic independence, for the uses of leisure, and for life in a free society.

With all the talk about life adjustment and preparation for life, that is precisely what our schools are not doing. We have not adjusted their programs to the demands of life in an industrial democracy in which it is possible for all men to live as only the few could live in the past.

To meet those demands, we must recognize the true dimensions of the educational problem which we have not yet begun to solve. We have not begun to solve it because we have not yet faced it, squarely and seriously.

Ours is the first society in the history of mankind that is required by its basic principles to face and solve this problem, which is to find out how to give all the children the kind of liberal schooling that, in the past, was given only to the few who, in the words of Thomas Jefferson, were destined for leisure and freedom.

By liberal schooling, I mean precisely what was understood by it in our colonial schools and colleges, which produced such men as Alexander Hamilton, James Madison, John Jay, Jefferson, John Adams, and all the others who were the founders, statesmen, and first citizens of our Republic.

The few children who then went to school and college were disciplined in the liberal arts. They were taught to read and write, to talk and listen, to observe, measure, and calculate. All the subjects they were taught in school were the hard, solid subjects that have now almost disappeared from the curriculum of our secondary schools and are not even required for graduation from most of our so-called liberal arts colleges.

They were prepared for life—the kind of life a free man was expected to live—by being made to work hard from the age of 6 until their schooling was completed. They were given no vocational training of any sort, nor any life-adjustment courses.

They grew up in a society in which those who had free time used it for leisure and seldom indulged in play or recreation. Their schooling prepared them for the employment of their free time in the strenuous tasks of leisure—the creative work of the arts and sciences, of statesmanship, political activity, and philosophical speculation.

Above all, they were prepared to exercise their minds, freely and critically, and to go on learning throughout the whole of their adult lives.

It was such schooling that produced, in this country as in England, France, Italy, and Germany, the topflight scientists who are responsible for all the fundamental discoveries which others have applied to shape our world and condition our lives.

Only such broadly liberal and humanistic schooling, not the narrowly technical and specialized kind that Soviet Russia is developing, can produce the free minds and creative imaginations which are needed to make the really fundamental advances in science, as well as to improve the institutions of a free society.

We cannot regain liberal schooling, however, nor can we even imitate or compete with Soviet Russia's inferior system, unless the American people as a whole realize that leisure is hard work, not idleness nor play; that children cannot be expected to grow up to the serious business of life in a society which idolizes childhood and childish things; and that being able to get a job and get ahead are only incidental and not the main results at which education aims.

Difficult as it would be for us to correct the folly of our self-indulgent, easygoing, pleasure-seeking, get-rich-quick way of life, without which no reform of American education is possible, it is still more difficult to solve the problem of giving every child the same kind of liberal schooling that once was given to the few.

This would require us to reorganize and reorient our whole school system; to educate teachers as few are now educated; to invent materials and techniques of teaching which do not now exist; and to devise graded courses of study which are designed to do for every level of ability exactly what the traditional liberal curriculum once did effectively for the most gifted child.

Thus understood, ours is a much more difficult educational problem than the one which Soviet Russia has taken effective measures to solve. If we wish to take similar measures, we, too, can succeed in solving the problem of giving rigorous technical training to our brightest children for the sake of obtaining an adequate supply of technicians and engineers, and a modicum of moderately good scientists.

But if that is our sole aim, we will not outdistance Russia by cultivating the genius of science itself, nor will we be true to our own ideals. Nevertheless, adopting similar measures would correct some of the worst features of the American school system.

It would require us to make our children work much harder in school than they do now. It would challenge the brighter or abler children to undertake tasks which taxed them to their utmost. It would honor academic diligence and achievement above everything else in the life of students.

It would hold forth a system of rewards for the acquirement, advancement, dissemination, and use of knowledge, which would give students and teachers the emoluments and prestige that befit their contribution to society.

But unless we regard the multiplication of technicians, engineers, and even scientists as a byproduct of genuinely liberal schooling, which should aim primarily at developing all our children into free men, we will merely be substituting one wrong orientation of education for another.

The specific things that are wrong with American education are at last being recognized.

They are now being reiterated every day in our newspapers—such things as poorly educated and poorly paid teachers, overcrowded classrooms, a watered-down secondary school curriculum from which most of the solid subjects have been removed, vocational training which is neither educative nor practically useful, waste of school time in trivialities, frivolities, and irrelevancies of all sorts, greater concern with mental hygiene than with mental development, fear of putting the young to the test and letting them taste the bitterness of failure, lowering of standards to the lowest common denominator, relaxation of discipline, etc.

While these things and many more like them deserve our attention, none goes to the heart of the matter. They are all symptoms of the trouble.

The cause lies in ourselves—in us as parents and citizens who have failed in our rearing of the young because he have failed to understand the responsibilities as well as the uses of freedom and have, therefore, tried to make everything as easy and painless for our children as we, childishly, would like it to be for ourselves.

What is honored in a country, Plato said, is cultivated there. When we honor the difficult tasks of learning and leisure, we shall enjoy their fruits.

EDUCATION IN REVIEW

Mr. PROXMIRE. Mr. President, Mr. Gene Currivan, of the New York Times, has written an outstanding and eloquent article which also shows the tragic failure of the American people and, I may say, by implication, elected officials of this country, to recognize the vital importance of the intellect to America's future and, indeed, to its very survival.

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

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

EDUCATION IN REVIEW—A HIGHER REGARD FOR ALL INTELLECTUAL WORK IS URGED AS A NATIONAL NECESSITY

(By Gene Currivan)

As part of the current concern over the quality of American education, there has been a revival of interest in and sympathy for intellectual effort in general. There is a feeling that the educational system cannot be improved until there is a new national attitude toward eggheads.

A concerted effort is developing to make the American public realize that the egghead may be a key man in the fight for survival and that the absent-minded professor could very well be another Einstein.

The most recent assault on those who would downgrade intellectualism came from the American Council on Education in Washington, D. C., which represents 140 educational organizations and more than 1,000 educational institutions. In a statement entitled "Public Understanding and Support for Education," the problems and policies committee of the council calls for immediate action to enlighten the public.

"If American education is to undergo a general improvement," the statement notes, "the people at large must place a higher value upon intellectual achievement and must be prepared to uphold higher levels of educational performance."

Another barrage was fired in this direction recently in a special report on American education by 14 editors in the alumni field printed in 150 alumni magazines throughout the country. This also is directed against anti-intellectualism, but indicated that society is beginning to realize that the educated man it needs must also have its respect.

STEVENSON VIEW

A little more than a week ago Adlai E. Stevenson joined the battle and urged that all young people be taught to respect intelligence and mental capacity as being part of our national resources.

The council statement covers a wide area of needs in the field of education and points out that unless the public is made to understand the urgent necessity of attaining these goals the situation will become desperate. Prompt action on all levels—Federal, State, and local—is imperative, the statement declared.

The propositions that the council felt need public support at once are, in the order of their priority:

1. Salaries for teachers, scholars, and scientists should on the average be at least doubled.

2. Existing institutions should be maintained more adequately and some of them greatly strengthened.

3. Support for the establishment of new institutions will be necessary, but should not be supplied at the expense of existing institutions.

4. Scholarship programs should stress quality rather than quantity, graduate as well as undergraduate study, and should be accompanied by a parallel system of grants to the institutions in which scholarship holders enroll.

The council warned that excessive reliance on Federal support may weaken other sources of initiative. But at the same time it pointed out that the Government "is the only agency which can act with sufficient speed and on a scale large enough to enable the schools, colleges, and universities to accomplish their tasks." It urged, however, that Federal support should be considered only as a supplement to local and State action.

Latest available figures from the United States Office of Education show that the total expenditure for higher education in 1955–56 was $4,172,446,000, of which the Federal Government contributed $507,153,000.

The main task, it was pointed out, is to awaken the American public to its responsibility.

HISTORIC CHALLENGE

"Most Americans," the statement said, "now realize that our leadership, and indeed our national survival, is being challenged as never before in history. Most Americans must be brought to realize that the survival and well-being of this Nation depend no less upon the strength of our educational system than upon the strength of our Military Establishment."

The council recommended greatly increased amounts of money for fundamental research and other forms of scholarly activity. Educators have consistently pointed out that it is in fields such as these that money is hard to come by unless the public understands the importance of advanced learning.

"If American education," the council asserted, "is to continue to serve the best interests of the Nation, drastic measures to increase the supply of highly trained persons are required in many areas other than physical science and engineering. The need for teachers at all levels and in all fields is a compelling illustration.

"Continued progress in the humanities, the arts, and the social sciences, as well as in science and technology, is highly essential to our national survival and well-being."

The statement was endorsed in an announcement issued Friday by eight college presidents in the metropolitan area. It is expected that other groups of presidents over the Nation will join with them as the statement is studied in their areas.

"The need for greater public understanding and support," the eight college heads said, "is immediate and immense. It is vital that the people at large gain a greater respect for intellectual accomplishment and be willing to pay a higher material price for education."

The signers represented Barnard, Columbia, Fordham, New York, Princeton, Rutgers, St. John's, and Sarah Lawrence.

PERSPECTIVE ON EDUCATION

Mr. PROXMIRE. Mr. President, in the Washington Post of April 7, there was published an excellent article which puts the American educational challenge and problem in sound perspective.

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

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

PERSPECTIVE ON EDUCATION

One of the most hopeful auguries for the future of American schools and colleges lies in the current dissatisfaction with their performance. Dissatisfaction is the indispensable prelude to improvement. And there is, of course, great room for improvement. But the defects of American education are to be found not so much in its methods and its goals as in critical shortages of teachers and physical facilities in relation to the tremendous demands of the present school-age population. Dissatisfaction should not become despair.

Some salutary perspective on the status of the schools in this country has been provided by Byron S. Hollinshead, a distinguished educator, in an article titled "Is European Education Better?" published recently by the American Council on Education. Dr. Hollinshead's answer to his own question is that the Europeans don't think so, and Americans are mistaken if they jump to any such conclusion. "The European system," he reminds us, "is to try to train an elite. The American system is to try to educate as many as possible. The European system offers a highly traditional curriculum to the few who can qualify by examination. The American system starts where the student is and tries to relate his education to his needs and aspirations."

These fundamental differences of approach between the two systems are evidenced by the fact that 70 percent of Americans at the end of their 16th year are in school compared with 10 percent at that age in England and France. At the college age, about 25 percent of Americans are getting higher education compared with 5 to 6 percent of the Europeans at that age. Dr. Hollinshead puts it this way:

"In other words, in the United States, some seven times as many of the age group attend high school and at least 5 times as many attend college as in Europe. Or, to think of it in another way, we have almost as many students in the national honor societies in our high schools, and in Phi Beta Kappa, Sigma Xi, and Phi Kappa Phi in our colleges as Europe has in its entire student bodies. If comparisons are to be made, perhaps it is only the students in our honor groups who should be compared with the total European group."

Americans seem subject to cyclical flare-ups of anxiety about their school system. It is worth remembering that not so long ago we were hearing complaints from one group of critics that Johnny couldn't read—a rather whopping overstatement. And not so long before that the cry was—as the result of a somewhat oversimplified survey conducted by the New York Times—that American schoolchildren knew no history. Today, thanks to sputnik, the emphasis is on science; and there are lamentations that American students learn no mathematics, physics, or chemistry. Dr. Hollinshead provides some perspective on this situation, too:

"A modern society such as ours has increasing needs for people well trained in mathematics and the natural sciences. Without such persons it cannot exist. We do need to improve our teaching in mathematics and science. We need to have a richer offering of courses in large high schools and solid courses in small high schools which are now neglecting these subjects. Above all, we need to encourage by every possible means those who are interested and talented in mathematics and science to go on with their studies. But this does not mean that we should try to force everybody into a similar educational mold."

The quality of American education must be judged, of course, in relation to American goals. The judgment cannot validly be made by comparison with European patterns or, for that matter, by comparison with Soviet patterns, although undoubtedly the outcome of the life-and-death struggle between the Free World and the Communist world will in very large measure be determined by the caliber of their respective educational systems. In the light of that struggle, the imperative need is to make the American system work at its very best; it cannot attain its goals with antiquated, overcrowded classrooms and overburdened, undertrained teachers. Nevertheless, it is essentially a sound system with valid goals. And perhaps its greatest strength, for the education of men and women who are to participate as self-governing citizens in a pluralistic society, lies in its flexibility and diversity.

DUAL EDUCATION PROBLEM—SCHOOL AND HOME

Mr. PROXMIRE. Mr. President, the gallant Democratic nominee for President of the United States, Gov. Adlai E. Stevenson, has written an excellent and very timely article on the enormously important problem of education. It was published in the Sunday, April 6, issue of the New York Times.

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

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

DUAL EDUCATION PROBLEM: SCHOOL AND HOME—MORE TEACHERS AND MORE CLASSROOMS ARE NECESSARY, SAYS MR. STEVENSON, BUT THIS IS NOT ENOUGH—WE MUST ALSO REASSERT RESPECT FOR EXCELLENCE, AND THAT IS A JOB FOR THE FAMILY

(By Adlai E. Stevenson)

Our national self-esteem has recently received some rude shocks. We had been living in what has been called the "illusion of American omnipotence." Suddenly realizing that it may not after all be universally true that "my pop can lick your pop," we are reacting now with a mixture of wounded pride, jittery apprehension and frenzied determination to disprove the illusion.

Part of this determination centers on the launching pads at Cape Canaveral. There has been a sudden decision that our missile development is inadequate.

Part of it centers in the classrooms of our schools. There has been a sudden decision that our educational system is inadequate.

It is obvious, and not very gratifying, that these decisions result not from self-examination and self-criticism but from what has happened in Russia.

It is fashionable to say that the Russian educational system is better than ours. But is it true? They set out to do one job. They have done it. But education has for us a fundamentally different purpose and obligation, an infinitely harder task. Keeping up with the Russians would be for us the worst form of defeatism, of false emphasis, of idolatrous worship of irrelevant standards.

Russian sputniks will not help us answer the question of the quality of education we should seek. That kind of stimulus could at most spur us to an unbalanced effort to produce scientists, and scientists alone. It would not give us either the sustained popular pressure we need to secure educational progress or the basis for the judgments we must make about the quality of our teaching.

There is a much more searching set of questions we must ask ourselves.

Why is it that we only became fully aware of our schools' shortcomings when we were compelled to compare them with the educational system of a totalitarian dictatorship?

What became of our own standards?

What standards have led us to put the glossy frills and extras of our abundant way of life ahead of our children's education? And why have we put the no-shift automobile ahead of abolishing the two-shift school?

Why is it that today, with more than 5 million men and women unemployed, with slack resources in steel, and with a crying need for tens of thousands of new schoolrooms, we aren't moving immediately to use these resources to fill these needs?

We don't lack the means. What's the matter?

There have been, I think, two difficulties.

One is that there has been no mobilization, no resounding, irresistible affirmation of our heartfelt desire for a better education for our children. This is the difficulty a democracy faces while a dictatorship does not, and it is the difficulty that consumers—who are essentially unorganized—always face in their competition with producers. We cannot easily translate into group action our decision to have the educational system we want and can pay for.

And the impact of the Soviet challenge may wear off, I fear. An upswing in our economy will return, and consumer pressure for a myriad of things, useful, useless, urgent, trivial, will return, too. Without profound change in national attitude schools and their needs will slide away again, down our national scale of priorities, behind the automobile and the refrigerator, recreation and travel, liquor and cosmetics, and behind even the recent horror in women's styles. We shall be back in the fantasy world spending more on advertising to the American people than on trying to educate them.

But the second difficulty is in a sense more basic, and one we must charge squarely to ourselves. The softness which has crept into our educational system is a reflection of something much broader, of a national complacency if you will, of a confusion of the priorities of the body, the mind, and the spirit.

The imperative today, in my judgment, is that we reassert—so that every person in this country is not left in any doubt about it—every man and woman, every politician, yes, and every teacher and every child—our conviction that children's needs have first priority over all other civilian wants.

We have lacked, I fear, the deep inner conviction that education in its broadest sense unlocks the door of our future, and that it gives us the tools without which the pursuit of happiness becomes a hollow chasing after triviality, a mindless boredom relieved only by the stimulus of sensationalism or quenched with a tranquilizer pill.

A British writer recently defined this fragmented mass mind as one of sensation without commitment. And this, behind the problems of school building and equipment, of classrooms and laboratories, of staffs adequately recruited and paid—this seems to me to be the deepest educational challenge of all.

In fact, I doubt whether we shall ever lick the physical problems of education until we have, as a Nation, recovered our sense of what the educational process has to be, and our respect for the disciplines and ardors which it entails. We need more than sputniks without and recessions within to provide a steady, enlightened pressure for better education.

So we must reassert our respect for the disciplines and ardors that are part of what education really means.

And we must make it clear that the goal of education is to teach western man not just to survive but to triumph, not just to defend himself but to make man and the world what God intended them to be.

What are the elements of the dedicated purpose and the wise and searching faith which are essential to restore the true meaning of education in America?

I believe, in the first place, that we must recover the element of quality in our traditional pursuit of equality. We must not, in opening our schools to everyone, confuse the idea that all should have equal chance with the notion that all have equal endowments.

Nor is it healthy to discern a hint of privilege and pretension in those whose intellectual abilities are outstanding. Ideals of excellence are not unknown to us. Those who excel in sports, in the arts, in adventure, are accorded that rare pleasure of the human mind—the pleasure of admiration. We must now, I believe, extend this ideal of excellence and teach our young people, indeed sometimes ourselves, to respect, to relish what is in fact the rarest of all our national resources—mental capacity and intellectual grasp.

And pray let there be no more derision of the nonconformists; rather let them be encouraged to speak their minds, to criticize and question. The deprecation of intelligence, the ridicule of the intellectual, has been too often the stock in trade of demagogs and the easy fashion of our times. If the sputniks have helped in any measure toward change in this respect we may yet live to hail Khrushchev as an educational reformer. But the change will not last if it is merely external. Respect for excellence—an idea which we can confidently draw from our classical heritage of freedom—this respect we must learn for ourselves.

The next confusion I would point to is the confusion of "the free" with "the free and easy." The men who founded this Republic sought to do away with the external disciplines of oppression. They did not for one moment believe in doing away with discipline as such. They believed rather in the power of inner discipline, of conscience, and of rational restraint to replace the constraints of royal or class government.

It is dangerously easy to move imperceptibly from the ideal of free choice to the tyranny of the easy way out. "Let the child set his own pace" has a delusively democratic swing to it.

And too often, I think, the elective system permits the student to evade the subjects which will tax his powers. Those who would dedicate their choice to harder, tougher studies find themselves cut off from a gay, carefree group who are likely to regard the working student as different. The pressures around him won't sustain his decision to work. He is made to feel an outsider.

The tragedy of this lies precisely in its misunderstanding of true human fulfillment. There can be no real happiness without full commitment, no tasting of the deepest pleasures without the effort and the training needed to make one's self responsive to these higher delights. Students glimpse these truths in certain fields. No one makes the team without hard training. Yet often there is no steady pressure of conviction to show our students that, in every field of endeavor it is effort, responsibility, the commitment of mind and energy that bring with them comparable achievement and satisfactions.

There is much talk in the world today of the uncommitted peoples—meaning the masses of Asia and Africa who will not take sides. I sometimes wonder whether there are not more uncommitted people here in our very midst—people bound by no ideal, warmed by no vision, impelled by no ambition, strengthened by no discipline, and, alas, unlit by any joy.

If once more we could restore the link in our children's minds between the happiness that is their birthright and the ardor, discipline and responsibility that must lie in its pursuit, I feel we should have remade the foundations upon which all true education rests. I do not believe all our physical programs for education, however essential, will have their true effect without this underlying change of heart.

We hear about adjusting to life. Of course. But what is life today? If this means a child's learning to live easily with the other members of his family and the rest of the people in the block, fitting smoothly into his environment, his church, feeling at ease with the people he sees from day to day, then I think we have drawn the circle dangerously small. For distance and time and space have shrunk; life is never again going to be a local island for any man or woman in the world.

Looking ahead for the long pull—not just to missiles and rockets—the American problem in education is to prepare citizens not merely to live in American society, but to live in an America caught up inextricably in an evolving world community, which, in turn, is seized by both technological and political revolution.

This means new dimensions for education. It means the training of innovators, not organization men, in both science and humanities. It means the understanding of other societies. And it means a deeper understanding of American history and society, not merely as a unique and treasured saga, but as part of universal experience. Instinctive knowledge of the round of American life as it is lived at home is not enough.

Yes, adjust children to life—to life in the world in which they live—a world where, among other things, the vast majority who are poor, the vast majority who are not white, the vast majority who are uneducated, are now demanding their birthrights as children equal in the sight of God.

The schools can't teach children all there is to know about the relationships of nations, about the intricacies of hard and easy money policies, about parity prices for farmers, and about the lethal mists that have been loosed upon the world. But the schools can do a very great deal to teach children that their own ideas are good and worth having and expressing, even in the face of disagreement.

Francis Bacon said a long time ago: "What man will not alter for the better, time, the great innovator, will alter for the worse."

A society whose survival depends on innovation cannot rely on interdepartmental committees and consensus. It must train men and women to be able to formulate, privately and painfully, new ways of looking at things, who are also capable of standing by their insights, if necessary, against the current consensus.

Perhaps it is the easiest part of the problem to say what the ideals of education are or ought to be. There remains of course the obligation to implement them, to make it possible for the schools to try to live up to them.

I have not discussed here the new dimension of difficulty which is added by the current crisis of numbers in the schools. And yet I would insist a little that there is nothing here that we are not in a position to meet.

The urgency of our desire to export an article of American manufacture to the moon—important as that is—is no excuse for deleting and drastically reducing provisions in the national budget for support of education. The need has not diminished. It has grown.

It should be added that another and very different point of ways and means has come into recent prominence, partly because of its promise for meeting the problem of the overloaded teacher in the overcrowded classroom—the fuller use of our teaching resources by means of the new audio and visual aids to education.

We are still in the infancy of the development of educational films, television and the like. Badly used, even overused, they could result in the sterilization of education. But already there has been such progress made along these and related lines that the discriminating administrator and the resourceful teacher can now do a better job for more children in less time and at less cost than ever before.

There is no substitute, of course, for a good teacher. Yet it is already clear that intelligent use of these remarkable visual materials in the classroom can greatly enrich and enliven instruction, and also release the teacher's fuller energies for the essential part of the teaching job.

I suggest, too, in connection with this problem, that we can make a virtue of necessity by relieving the teachers of some of the jobs they have taken over from parents, and which parents could do.

I taught my three boys to drive a car. I think they can do as much for my grandsons—and let their high-school teachers concentrate on some things that are more important, or at least harder to teach.

If our educational purposes are unclear, if the curriculum is chaotic and cluttered with distractions, if the teaching staffs are overburdened with indiscriminate responsibilities well beyond their reasonable capacity to carry, we must expect that our children will be educated for mediocrity instead of for something better.

What does it add up to? Basically it is a matter, it seems to me, of redefining and of reasserting the fundamentals of our educational faith. Respect for intellectual excellence, the restoration of vigor and discipline to our ideas of study, curricula which aim at strengthening intellectual fiber and stretching the powers of young minds personal commitment and responsibility—these are the preconditions of educational recovery in America today; and, I believe, they have always been the preconditions of happiness and sanity for the human race.

And just because this is so, I do not regard the task ahead of us as one confined to leaders and educators, to influential men and women or those in the public eye. It is in the home that children first learn what to want and respect, what is important, what trivial, what worthy to be imitated and loved and admired. In the homes of all of us, then, let the recovery begin—in simple respect for work and effort, in delight in all manner of excellence, in trust and love of truth. These are the roots of education. They can grow in every home.

FIRST TENET: AN INFORMED PEOPLE

Mr. PROXMIRE. Mr. President, Mr. Stevenson has also written a great article on the failure of this administration to provide the prime ingredient in any successful democracy, and that is, of course, full, accurate information on the activities of the Government.

Mr. President, I ask unanimous consent that the excellent article by Governor Stevenson be printed in the RECORD at this point, following my remarks.

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

FIRST TENET: AN INFORMED PEOPLE—HEAVY FAILURE CHARGED TO REPUBLICANS IN ABUSING THE NATION'S RIGHT TO KNOW

(By Adlai E. Stevenson, substituting for Stokes)

CHICAGO.—Politics is essentially an educational process, in which people grow to their full stature through participation in great decisions. But people cannot participate in great decisions unless they know the facts.

The first condition of a successful democracy is an informed people. It is an indispensable part of the Presidential responsibility to make sure the people have the facts, no matter how grim and sobering these facts may be.

There are many dramatic contrasts between the Truman and the Eisenhower administrations—in the sharpness of decision, in the creativity of public policy, in the whole national temper and morale. But perhaps no contrast is more dramatic than the change in the relationship between the Government and the people.

That change can be briefly summed up: The Democrats regarded the people as responsible partners, able to take their own share in the labor of public policy; the Republicans regard the people as customers, to be bemused, beguiled and manipulated.

Very early in this administration a high official on the President's staff said: "We're going to merchandise the living hell out of the Eisenhower administration."

And that is precisely what they have done.

These years of Republican rule have been stained by heavy failure in many areas—the excesses of McCarthyism, the disintegration of our alliances, the loss of confidence in us abroad, the decay of our military position, and now the decline in our economic vitality.

But perhaps nothing has injured us more, or struck so deep at the jugular vein of democracy, as the abuse of the people's right to know. This administration's record of systematic and unblushing misrepresentation, concealment, and half-truth has few precedents in our political history. And what makes it more offensive is that it has all been conducted in an atmosphere of such ostentatious piety.

I don't want to recite the familiar litany of foolish words and broken promises—the expenses that were to be cut, the budgets to be reduced, the secret agreements to be denounced, the prices to be stabilized, the schools to be built, the farm surpluses to be eliminated, and the great brains they were going to bring to Washington.

Back in the beginning they fooled the people with talk about "liberating" Eastern Europe, "unleashing" the Formosa Chinese, "rolling back" communism. Well, we have paid a heavy price for these empty, misleading slogans, not only in the satellites, but in Western Europe and in the uncommitted nations.

Then they channeled American thinking into purely military concepts, ridiculed the intellectuals, pandered to complacency, and encouraged the illusion of American omnipotence. They ignored the progress of Soviet education, concealed the weaknesses of the allied coalition, misrepresented Russian military strength and political penetration.

As our prestige and influence and confidence declined, they reported every setback, every disappointment, every defeat as a triumph of statesmanship from which we had emerged more respected and invulnerable than ever.

Worst of all, they never stirred, stimulated or spurred the American people. Instead they lulled America into a dangerous slumber from which we were only recently awakened by the shock of sputnik.

Remember Operation Candor—the big project for telling the truth about atomic weapons? Other administrations have regarded candor as a prime obligation of Government. It is characteristic that an administration hypnotized and sustained by public relations experts regarded it as an operation. And it is even more characteristic that, in the end, they dropped the whole idea.

Remember all their rosy reports about the Geneva Conference and the President's great triumph? And what happened? The Soviets pushed confidently forward into the Middle East.

Remember all the assurances from the President and the Republican orators during 1956 that they had a patent on peace, that we were trusted, beloved, invulnerable and our prestige was never higher? What happened? Could there have been a more disastrous proof of the lost confidence and desperation of our oldest, best allies than Suez?

We have been misled from beginning to end about our most vital concerns—about our military strength, about the power of the Communists, about our broad position in the world.

The Democrats will have many powerful issues in the elections this fall. But none, I think, will and should be more fundamental than this one—the restoration of truth to Government. For if we Americans know the truth, the facts, the problems, there is in us the wisdom and the strength to meet the problem, to do whatever needs to be done, to face danger as part of achieving destiny.

FEDERAL COMMUNICATIONS COMMISSION

Mr. PROXMIRE. Mr. President, the Milwaukee Journal of Saturday, April 9, published a wise editorial entitled "Tighten Law on FCC Conduct." The editorial warmly supports the principles of a bill I have introduced, to prohibit the practice of the acceptance of honorariums, fees, and other expenses by governmental officials from industries which have a pecuniary interest with these departments those officials represent.

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

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

TIGHTEN LAW ON FCC CONDUCT

There are several good suggestions in the interim report of the strangely named House Special Subcommittee on Legislative Oversight and Congress ought to take them up.

The first is that the law allowing Federal Communications Commissioners to receive "honorariums"—or fees—for speeches before industry groups should be changed to bar such payments.

Even as the law reads, it isn't certain that payment of fees for speeches is proper. When Congress wrote that section of the FCC law it clearly intended that such fees be paid only for technical papers and not for good will greetings. But it has been shown that the law can be misinterpreted and thus it needs clarification.

The subcommittee also suggests that all ex parte contacts with Commissioners about pending cases be made part of the record and circulated among all interested parties. An ex parte contact is one by a single interested party without the presence of the others. Putting reports of such contacts into the record would make many a fixer reluctant to make the contact in the first place.

The subcommittee also reaches the logical conclusion that the public interest isn't served by donation of TV sets to FCC Commissioners for their home use. And it believes that industry should not pay expenses of Commissioners at meetings or parties or anywhere else. If the Government expense allowances aren't high enough, they ought to be raised.

Testimony by the FCC Commissioners brought out the sad fact that most of them don't see anything wrong with accepting fees, letting industry pay their expenses while they collected Government expense money or getting free use of home TV sets, and a chance to buy them at big discounts.

This fact underlines another subcommittee suggestion—one that the FCC be required to adopt a code of ethics. It's a sad state of affairs when officials on the FCC level have to have written out for them the difference between what is proper and improper. One would think that the first requirement for appointment to a Federal regulatory agency would be a clear concept of right and wrong.

But, as this doesn't seem to be the case, perhaps a code is necessary. At least it will give the public a yardstick to judge by. And it might perk up a Commissioner's conscience. But, in the end, there is only one answer to this whole business of propriety. That is to name men to regulatory bodies who know that even the appearance of influence of corruption cannot be tolerated.

PROFITS ZOOMING FOR FOOD FIRMS

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an excellent article by Mr. Drew Pearson, which appeared in the Washington Post on April 11, 1958, be printed in the RECORD, following my remarks. The article by Mr. Pearson goes right to the heart of the problem which has deeply troubled the American farmer during the past 5 years, that is, the terrible injustice of an immense increase in profits for the fat food-processing firms, at the same time that the farmer who supplies food processors with all of their raw material is suffering a full-fledged depression.

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

PROFITS ZOOMING FOR FOOD FIRMS

(By Drew Pearson)

Most interesting question the housewife and the farmer would like to have answered is why prices on the farm go down while prices in the grocery stores go up.

Since 1952, the year Ezra Taft Benson became Secretary of Agriculture, to 1957, the prices paid to farmers dropped by 16 percent while prices paid by the housewife went up 2 percent. When she went to the grocery store she just did not get any advantages from the fact that farm prices had dropped.

Furthermore, this trend is continuing. During a recession prices usually drop. People who lose their jobs have at least the opportunity to buy food cheaper. But during 1958, according to the Bureau of Labor Statistics, the price of food is still going up.

The question—why this widening gap between food on the farm and food in the grocery store?—is one of the most important in the Nation, and here is an attempt to answer it.

Answer No. 1: Can be gleaned from the stock market. During the big stock market crash of October 21–22 last year when 4,670,000 and 5,090,000 shares were sold, food stocks hardly budged. The wise guys on Wall Street knew they were making money and didn't trade them short.

General Mills, biggest flour firm in the Nation, went down only one point. General Foods, biggest food company, went down only five-eighths. Swift, the big meatpacker, went down half a point; Cudahy down three-eighths, and Armour a point and a half. Safeway chainstores dropped only one-quarter, Food Fair by only three-quarters.

ZOOMING PROFITS

Again, on November 26, the day of Mr. Eisenhower's cerebral attack, the stock market took another slump with five billions of profits wiped out. But food stocks stood like financial rocks of Gibraltar. General Mills went up one point. Food Fair went up a quarter of a point. Swift, Armour, Cudahy, Safeway dropped by mere fractions.

Since then, food stocks and grocery stocks have enjoyed a healthy, consistent climb—General Mills up around 10 points; General Foods up 12 points; Swift, Armour, Cudahy all up 3; Food Fair up 8.

Answer 1A: It's part of the same answer, but if you look at the financial statements of these companies on file at the Securities and Exchange Commission you can understand why their stocks stand firm and how they are making money while both the housewife and the farmer suffer.

Safeway Stores' profits under Mr. Eisenhower and Benson increased 246 percent between 1952–56. Food Fair Stores during the same period went up 90 percent; Super-Valu Stores up 172 percent.

The meatpackers also fared well. Cudahy profits went up 186 percent under Ike; Wilson & Co. went up 111 percent; Armour up 105 percent. The only meat firm which went down was Swift & Co., which made $21,698,000 in 1952 under Mr. Truman and $13,462,000 in 1956 under Mr. Eisenhower.

The big dairy firms did all right, too. Borden's profits went up 33 percent under Ike; National Dairy Products went up 50 percent, while Beatrice Foods went up 83 percent.

The big cereal companies didn't do badly either. Quaker Oats, whose executives are heavy contributors to Mr. Eisenhower's campaign funds, saw their profits go up 89 percent. Corn Products went up 51 percent; General Mills up 28 percent; National Starch 162 percent, and Fairmont Foods up 210 percent.

Answer No. 2: What's the reason for these tremendous profits? Part of it is failure to enforce the antitrust laws. With the virtual disappearance of the corner grocery store and with retailers more and more dependent on the giants of the food business, the only protection of the housewife is enforcement of the antimonopoly laws.

However, the Justice Department's Antitrust Division has become a political instrument, as recently shown by Congressman CELLER'S investigation of the Telephone Co. And Secretary Benson, who is supposed to enforce the antimonopoly laws against the meat industry, has as one of his best friends Aled Davies, lobbyist for the American Meat Institute. Davies is now trying to block the O'Mahoney bill which would transfer the enforcement of the monopoly laws regarding the meatpackers away from Benson and put them with the Federal Trade Commission.

Answer No. 3: This is the manner in which Secretary Benson has taken representatives of the big meatpackers, the big dairy companies, the big grain processors into his Agriculture Department and made them, not the farmers, the chief beneficiaries of his administration.

This is an important story which will have to be reserved for another column.

CIVIL USES OF ATOMIC ENERGY—PROPOSED AMENDMENT TO AGREEMENT FOR COOPERATION BETWEEN THE UNITED STATES AND THE REPUBLIC OF KOREA

Mr. PASTORE. Mr. President, section 123c of the Atomic Energy Act of 1954 provides that any proposed agreement for cooperation with another nation or regional defense organization, together with the approval and the determination of the President, must be submitted to the Joint Committee on Atomic Energy, and a period of 30 days shall elapse while Congress is in session.

I ask unanimous consent to have printed in the RECORD the following documents concerning a proposed amendment to the existing Agreement for Cooperation between the Government of the United States of America and the Government of the Republic of Korea concerning the civil uses of atomic energy:

Letter dated March 18, 1958, from AEC Chairman Lewis L. Strauss to the Honorable CARL T. DURHAM, chairman of the Joint Committee on Atomic Energy;

Copy of a letter dated February 4, 1958, from Mr. Strauss to the President of the United States;

Copy of letter dated February 11, 1958, from President Eisenhower to Mr. Strauss;

Copy of the amendment to the Agreement for Cooperation between the Government of the United States of America and the Government of the Republic of Korea concerning civil uses of atomic energy.

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

UNITED STATES
ATOMIC ENERGY COMMISSION,
Washington, D. C., March 18, 1958.

Hon. CARL T. DURHAM,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. DURHAM: Pursuant to section 123c of the Atomic Energy Act of 1954, there is submitted with this letter:

1. An amendment, signed at Washington on March 14, 1958, to the agreement for cooperation between the Government of the United States of America and the Government of the Republic of Korea concerning the civil uses of atomic energy, signed at Washington on February 3, 1956.

2. A letter dated February 4, 1958, from the Chairman of the Atomic Energy Commission to the President recommending approval of the amendment;

3. A letter dated February 11, 1958, from the President to the Chairman of the Atomic Energy Commission approving the amendment, authorizing its execution and containing his determination that it will promote and will not constitute an unreasonable risk to the common defense and security.

Articles I and III of the amendment include new provisions which are designed to clarify the responsibilities that the parties to the agreement have assumed with respect to liability for any information or data, special nuclear material or fuel elements transferred pursuant to the agreement.

Article II of the amendment would permit the transfer of limited amounts of special nuclear materials, namely U–235, U–233, and plutonium, for defined research projects related to the peaceful uses of atomic energy.

The amendment will enter into force when the two Governments have exchanged notifications that their respective statutory and constitutional requirements have been fulfilled (article IV).

Sincerely yours,

LEWIS STRAUSS,
Chairman.

FEBRUARY 4, 1958.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Korea Concerning Civil Uses of Atomic Energy, signed on February 3, 1956, and authorize its execution.

Articles I and III of the amendment include new provisions designed to clarify responsibilities assumed by the parties to the agreement with respect to liability for any causes arising out of the handling or use of information or data, special nuclear material or fuel elements transferred pursuant to the agreement.

Article II of the amendment would permit the transfer of limited amounts of special nuclear materials, namely U–235, U–233, and

plutonium, for defined research projects related to the peaceful uses of atomic energy.

Subject to your approval, and to the authorization requested, the proposed amendment will be executed by the appropriate authorities of the Governments of the Republic of Korea and the United States. In compliance with section 123 of the Atomic Energy Act of 1954, the amendment will then be placed before the Joint Committee on Atomic Energy.

Respectfully yours,

LEWIS L. STRAUSS,
Chairman.

Enclosure:
Amendment to Agreement for Cooperation with Korea.

Certified to be a true copy:

ROBERT N. SLAWSON, Jr.,
Acting Chief, Asian-African Branch, Division of International Affairs, Atomic Energy Commission.

FEBRUARY 11, 1958.

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

DEAR MR. CHAIRMAN: Under date of February 4, 1958, you informed me that the Atomic Energy Commission recommended that I approve a proposed amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Korea Concerning Civil Uses of Atomic Energy, signed on February 3, 1956, and authorize its execution.

Articles I and III of the amendment include new provisions designed to clarify responsibilities assumed by the parties to the agreement with respect to liability for any causes arising out of the handling or use of information or data, special nuclear material or fuel elements transferred pursuant to the Agreement.

Article II of the amendment would permit the transfer of limited amounts of special nuclear materials, namely U-235, U-233 and plutonium, for defined research projects related to the peaceful uses of atomic energy.

Pursuant to the provisions of Section 123 of the Atomic Energy Act of 1954 and upon the recommendation of the Atomic Energy Commission, I hereby (1) determine that the performance of the proposed amendment to the Agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; (2) approve the proposed Amendment to the Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of the Republic of Korea enclosed with your letter of February 4, 1958; and (3) authorize the execution of the proposed Amendment for the Government of the United States by appropriate authorities of the United States Atomic Energy Commission and the Department of State.

Sincerely,

DWIGHT D. EISENHOWER.

Certified to be a true copy:

ROBERT N. SLAWSON,
Acting Chief, Asian-African Branch Division of International Affairs Atomic Energy Commission.

AMENDMENT TO AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF KOREA CONCERNING CIVIL USES OF ATOMIC ENERGY

The Government of the United States of America and the Government of the Republic of Korea;

Desiring to amend the Agreement for Cooperation between the Government of the United States of America and the Government of the Republic of Korea Concerning Civil Uses of Atomic Energy, signed February 3, 1956, hereinafter referred to as the "Agreement for Cooperation," have agreed as follows:

ARTICLE I

Article I of the Agreement for Cooperation is amended to read as follows:

"A. Subject to the limitations of Article V, the parties hereto will exchange information in the following fields:

"1. Design, construction, and operation of research reactors and their use as research, development, and engineering tools and in medical therapy.

"2. Health and safety problems related to the operation and use of research reactors.

"3. The use of radioactive isotopes in physical and biological research, medical therapy, agriculture, and industry.

"B. The application or use of any information or data of any kind whatsoever, including design drawings and specifications, exchanged under this agreement shall be the responsibility of the party which receives and uses such information or data, and it is understood that the other cooperating party does not warrant the accuracy, completeness, or suitability of such information or data for any particular use or application."

ARTICLE II

The following new article is added directly after article III of the Agreement for Cooperation:

"ARTICLE III (A)

"Materials of interest in connection with defined research projects related to the peaceful uses of atomic energy undertaken by the Government of the Republic of Korea, including source materials, special nuclear materials, byproduct material, other radioisotopes, and stable isotopes, will be sold or otherwise transferred to the Government of the Republic of Korea by the Commission for research purposes in such quantities and under such terms and conditions as may be agreed when such materials are not available commercially. In no case, however, shall the quantity of special nuclear materials under the jurisdiction of the Government of the Republic of Korea by reason of transfer under this article, be, at any one time, in excess of 100 grams of contained U-235, 10 grams of plutonium, and 10 grams of U-233."

ARTICLE III

1. Article VI, paragraph A, of the agreement for cooperation is amended by deleting the phrase "uranium enriched in the isotope U-235 leased from the Commission" and substituting in lieu thereof the phrase "special nuclear materials received from the Commission."

2. The following new paragraph is added to article VI of the agreement for cooperation:

"D. Some atomic energy materials which the Government of the Republic of Korea may request the Commission to provide in accordance with this arrangement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of the Republic of Korea, the Government of the Republic of Korea shall bear all responsibility, insofar as the Government of the United States is concerned, for the safe handling and use of such materials. With respect to any special nuclear materials or fuel elements which the Commission may, pursuant to this agreement, lease to the Government of the Republic of Korea or to any private individual or private organization under its jurisdiction, the Government of the Republic of Korea shall indemnify and save harmless the Government of the United States against any and all liability (including third-party liability) from any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such special nuclear materials or fuel elements after delivery by the Commission to the Government of the Republic of Korea or to any authorized private individual or private organization under its jurisdiction."

ARTICLE IV

This amendment shall enter into force on the date on which each Government shall receive from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such amendment and shall remain in force for the period of the agreement for cooperation.

In witness whereof the undersigned, duly authorized, have signed this amendment.

Done at Washington in duplicate this 14th day of March 1958.

For the Government of the United States of America:

J. GRAHAM PARSONS,
Acting Assistant Secretary of State for Far Eastern Affairs.

W. F. LIBBY,
Commissioner, United States Atomic Energy Commission.

For the Government of the Republic of Korea:

YON CHAN YANG,
Ambassador of Korea.

Certified to be a true copy:

ROBERT N. SLAWSON,
Acting Chief, Asian-African Branch, Division of International Affairs.

LET US BUILD SCHOOLS

Mr. McNAMARA. Mr. President, for the possible interest of my colleagues, I wish to read an excerpt from an editorial published in the New York Times. The editorial is entitled "Classroom Shortage." The excerpt reads as follows:

Of all the unfinished business which Congress faces on returning from its Easter recess nothing can make a stronger appeal to its conscience and its concern for the national welfare than the proposal for Federal aid to school construction.

In one form or another—the proposal has been before it for more than a decade. The need for Federal aid has grown more acute each year. Continued neglect of it can result only in impairment of the Nation's public-school system.

Congress has a heavy obligation to act upon it before the session's close.

As we return from our Easter recess, I could not agree more completely with the statement in the editorial that "nothing can make a stronger appeal to its conscience and its concern for the national welfare than the proposal for Federal aid to school construction."

However, Mr. President, I should point out that the editorial from which I just quoted is not from today's or yesterday's New York Times. It was printed last year, as we returned from our 1957 Easter recess.

The bitter truth is, however, that its message is just as correct today as it was a year ago. In fact, the statement that "continued neglect can result only in an impairment of the Nation's public school system" is even more true today.

Last year, when that editorial appeared, there were in our public elementary and secondary schools an estimated 32,338,688 children.

As I speak here today, an estimated 33,508,814 children are attending these schools, representing an increase of 1,170,126. During the past 7 years, the increase has been nearly 8 million.

With these tremendous increases in school enrollment, Mr. President, and with the serious overcrowding and the growing number of schools that need replacement, we cannot hope to solve our classroom problems with only the aid the States are able or are willing to give.

Nor can our teachers expect the wage equity they so justly deserve, if our States cannot afford even to build the necessary facilities.

Our children are first of all citizens of the United States of America and then they become citizens of the individual States and communities.

Educated citizens are a national asset. The lack of a proper educational system becomes a national liability.

Congress is woefully late in meeting the problem, Mr. President. But, late as the hour is, it is not too late to act.

EXTENSION AND REVISION OF PUBLIC LAW 480—RESOLUTION ADOPTED BY CONFERENCE OF WESTERN GOVERNORS

Mr. HUMPHREY. Mr. President, during the debate on the extension and revision of Public Law 480, there was considerable discussion over the effect of the barter provisions, as advocated in the committee bill, on the mining and metals industries. Those who opposed the barter provisions of the committee bill argued that further barter would depress the domestic mining and metals industries. I sharply disagreed with this point of view and argued that the barter provisions of Public Law 480 could very well serve as a means of bolstering and aiding the domestic mining and metals segments of our economy.

I now find, some weeks after the debate, regrettably, that my point of view was endorsed by the Western Governors' Conference held in Reno, Nev., April 26 and 27, 1957.

I ask unanimous consent that the resolutions which were adopted at the Western Governors' Conference in 1957 be printed at this point in the RECORD.

It should be noted that they were incorporated in the CONGRESSIONAL RECORD of May 8, 1957 by the Senator from Nevada [Mr. BIBLE].

The operative portions of the resolutions request that the barter program be continued and expanded. It was this that I sought to accomplish by the amendments to Public Law 480 on the barter section, the amendment which was defeated by a vote in the Senate.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

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

RESOLUTION ADOPTED BY THE CONFERENCE OF WESTERN GOVERNORS, APRIL 26 AND 27, 1957, AT RENO, NEV.

Whereas the barter program was planned and implemented to reduce the surplus of domestic agricultural products through acquisition for stockpiling of Free World surplus minerals and metals; and

Whereas such acquisition of surplus minerals and metals has served to stabilize the market price of minerals and metals; and

Whereas the resulting price stabilization has temporarily benefited mines in the United States which produce similar products, through preventing those foreign materials from being offered as surplus in the domestic market; and

Whereas the temporary nature of the barter program makes it inadequate to provide a basis on which the domestic mining industry can justify long-range risk expenditures for exploration and development, critically related to continuity of that industry: Now, therefore, be it

Resolved, That the barter program be continued and expanded to include all minerals and metals needing such aid and suitable for stockpiling, until such time, not too long delayed, as an equitable and effective long-range minerals policy, based on reasonable and effective import control measures, can be formulated and put into effect.

EUROPEAN COMMON MARKET

Mr. HUMPHREY. Mr. President, the March 20, 1958, issue of the Reporter magazine contains an article by Mr. Ken Miller entitled "New Opportunities for Yankee Traders." This article is one of the best expositions I have seen on the European common market, an aspect of foreign-trade development which we need to understand.

The whole argument has a good deal to do with the question of American foreign trade and the importance of the renewal and liberalization of our Trade Agreements Act.

I ask unanimous consent that the text of this 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:

NEW OPPORTUNITIES FOR YANKEE TRADERS

(By Ken Miller)

Getting ready for the European common market is fast becoming a favorite occupation for a sizable segment of American business. Fifteen percent of total United States exports are sold to the six nations involved (France, West Germany, Italy, The Netherlands, Belgium, and Luxembourg), and well over a thousand United States controlled firms operate within the larger area that may ultimately be affected. The magazine Export Trade and Shipper calls recent developments "* * * a greater awakening of interest in international business opportunities than has been shown at any previous time."

Of course, the great awakening among American businessmen has not yet managed to rouse many Congressmen, few of whom seem to be ardent supporters of the administration's efforts to bring the Nation's tariff machinery up to date so that American traders can deal effectively with the emerging European bloc.

And it would be a mistake to exaggerate the extent of the awakening in the business community itself. Even after the common market treaty was signed last year, a spokesman for the big General Motors subsidiary in Germany was able to tell a reporter that his employers had "not given a thought" to the common market, mainly because it would not become fully effective until 1970 or 1973—"and that's too long to tell yet."

The American Management Association, too, recalls how poorly attended were its meetings and periodic seminars on foreign operations. Indeed, enrollment in some was so low that they were canceled. Now, says an AMA official, "We can't pack them all in."

PROMISE AND PERIL

The earlier attitude of wait-and-see or vague benevolence has been replaced by a fuller realization that Europe's single-market aspirations hold both promise and peril for Yankee traders.

It holds promise because a mass market larger than that of the United States offers a fine opportunity for American investors to transplant high-volume, efficient production methods. Furthermore, a more rapidly industrializing Europe is also sure to develop new needs that the United States can fill to the benefit of both. Americans generally applaud the expected industrial renaissance, with its hope of economic growth, increased prosperity, and higher living standards. They see these as the best barrier against collectivism, and as an important means of strengthening Europe's position both politically and economically, and of cementing West Germany more firmly to the NATO Alliance. These are the very goals that the United States Government has backed to the extent of $50 billion in postwar aid to Western Europe.

The peril comes because under the rules of the European Economic Community (EEC is the abbreviation) the Europeans will be able to exchange their wares duty-free among themselves while continuing to find shelter behind tariff fences and even build some new ones against non-European goods. The total effect seems destined to increase the present discrimination suffered by United States dollar goods abroad in consequence of the renewed dollar shortage and special dollar-import restrictions in many countries. European protectionism might get worse if a United States depression dragged down the trade and money balances of our partners abroad, or if one member was always in trouble and needed special assistance.

"You've got to pay a price for things you want," argues a diplomat who has been following the treaty's development. "Anyway, we've been assured that the damage to our commercial interests won't be all that great if things go right." So, on balance, the United States Government has been a reasonably enthusiastic partisan of the plan all along.

Donald F. Heatherington, of the National Foreign Trade Council, a recognized authority, is convinced that the unified market, whether confined to the present six nations (approaching a population of 170 million right now) or extended to a dozen under the parallel British-inspired free trade area plan (now more than 240 million) will have a marked impact on all American commercial relations overseas.

Not only will our exports to Europe be affected, he emphasizes, but also our trade with Latin America, Asia, and Africa, as the Europeans' broader-based operations allow them to become more competitive in those markets and as the world balance of payments shifts under pressure of European expansion.

OUR GROWING STAKE ABROAD

Mr. Heatherington's remarks take on a lot more dollars-and-cents impact after a quick glance at America's present stake in overseas business, which is enormous and increasing daily. It shows that traditional export-import figures no longer suffice to describe the internationalization taking place in the Nation's business patterns.

As 1958 began, American companies possessed more than $37 billion worth of holdings in foreign lands, an increase of about $4.5 billion over the previous year. The editor of McGraw-Hill's Management Digest estimates that annual sales of goods manufactured outside the country by these United States-controlled firms run to a staggering $35 billion, give or take a few billion.

Dividends from these direct American investments overseas account for upwards of 17 percent of all dividend payments in the United States, he adds.

Some well-known domestic companies, in fact, now derive a major part of their income from overseas. Gillette and National Cash Register move nearly 40 percent of their sales through subsidiaries abroad. H. J. Heinz earned an amazing 71 percent of its 1956 consolidated net income in foreign markets. Chesebrough-Pond's, Inc., "She's Lovely, She's Engaged," etc., reportedly took about half its net from the same source that year, while in Europe alone, mammoth International Business Machines employs more than 16,000 persons in 6 plants, 4 laboratories, and 158 sales offices. An IBM subsidiary, World Trade Corp., turned over $6 million in cash dividends to the parent company last year.

On top of private industry's overseas activities, the inventory must include a record $19.6 billion last year for exports, plus $13.2 billion in foreign imports. On this basis, a recent Guaranty Trust Co. survey points out that 7 percent of America's labor force, or about 4.5 million workers, earn a living from foreign trade. (The bank itself is no exception; it just moved its London branch into a new five-story office to cope with the flow of business overseas.)

The most comprehensive view yet available of American business reaction to the common market was offered last month at a special conference staged in New York by the American Management Association. The crowded 3-day session imposed strict schoolroom hours on more than 400 of the Nation's leading executives (who paid $75 or $90 for the privilege). They heard, among other things, the prediction that new private direct American capital investments in all of Western Europe will easily surpass last year's $500 million, up $140 million over 1956, as corporation boards increasingly realize that the best place from which to "sell" the common market or the free trade area will be Europe itself.

To cite a few examples, the Chemstrand Corp. has invested $10 million in a Northern Ireland synthetic fiber plant that will start production later this year, and it also is helping to form a fiber producing company in Italy. American Machine & Foundry recently paid $1.5 million for control of another Italian firm. Just since last summer, Reynolds Metals has arranged to go into aluminum fabricating in England, Germany, and Ireland. Other firms announcing new European ties over the past 6 months include North American Aviation's atomics division, B. F. Goodrich Chemicals, Olin Mathieson Chemical, and American Cyanamid.

Along with the inviting opportunities opening up to big business will come, of course, some of the attendant problems of bigness fought out in this country years ago and not yet completely settled.

Mergers are growing popular throughout Western Europe and in Britain, as witness last year's marriage between giant Courtaulds and British Celanese to form the world's largest producer of manmade fibers. Medium-sized business isn't ruled out of the new Europe by any means, or from doing some merging itself, but the greatest advantage will go to the candidate from this side of the ocean having a clearly superior product backed by a big organization that can afford the mass production, distribution, servicing, and promotion required for maximum results in the pooled area. J. Wilner Sundelson, facilities and operations planning manager for Ford International, figures that it would take an outlay of $400 million for an American firm, starting from scratch, to get into competitive automobile production in Europe today. The rewards, he thinks, would be proportionately great. Sundelson thinks that by 1970 Europeans will be buying twice as many cars as they do now.

THE EUROPEAN BOOM

One strong attraction of the EEC is that the new European economy is growing faster than America's. In the last 5 years, industrial output shot up 37 percent, against 16 percent for the United States, while buying of durable goods like autos and radios increased by nearly 60 percent per capita. This exceptional rate of expansion will not continue forever; factories are running close to peak capacity now; the labor supply is tightening, and the workweek is getting shorter. The Organization for European Economic Cooperation estimates that for the 5 years 1956–60 factory production, barring catastrophe, will move up 25 percent, slower than previously but still enough to ensure Europe's continued expansion. The pace for the decade, in any case, will have been exceeded only by the United States during the 1920's.

The best explanation for Europe's spurt is that it is devoting more of its output to industrial investment than the United States, while its general economy is at a much earlier stage of development. Its productivity is only about half the United States rate, and therefore there is more relative leeway to catch up. Also, prior experience with many United States techniques enables Europe to progress by borrowing our years of intermediate development and omitting its own. Mass-produced automobiles are one example, modern packaging is another, and a third are self-service stores, now blossoming faster in Switzerland and Sweden than they did even in the early days over here.

The hypnotic effect of such statistics and the repeated titillation of the profit nerve by some speakers ("one and one-half times more customers than in the United States if the free-trade plan comes through"; "nowhere else outside North America will you find millions of people within 15 years with $300 extra per capita income to spend") excited a few of the otherwise hardheaded participants in the AMA conference into verbal extravagance. Europe was referred to as a "supermarket," and the common market as a "slow-motion gold rush." A prominent Midwestern executive possessively labeled Europe "our particular cup of tea," while to another enthusiast it was "a new economic frontier for a new generation of entrepreneurs." The Europeans who were present shuddered but bore up manfully.

EUROPE IS NOT A COLONY

Only one topic scraped any raw skin, and that was the impression given by speakers and audience alike, especially at question time, that great streams of American dollar investments are about to engulf the Old World. So much emphasis was laid on the topic that the ranking foreigner present, Robert Marjolin, who is France's leading economic technician and is now serving as first vice president of the EEC Executive Commission, felt it necessary to administer a delicate warning. It was delivered only after an anxious corner conference with a State Department observer, who presumably was in agreement.

The gist of Marjolin's gentle lecture was that American investments should be spread around to avoid bringing too large a segment of any given industry under foreign control, though he didn't say whether this should be accomplished voluntarily or by a European watchdog committee. He added that dollars should be associated with European capital whenever possible in the new ventures. "Put yourself in the place of the Europeans and you'll come to the right conclusions," M. Marjolin advised.

At present M. Marjolin's stricture could conceivably apply to only two European industries, one being the automotive industry, where Americans own two of the six largest European companies. General Motors and Ford both have major plants in Germany and the United Kingdom, plus assembly plants in the low countries. Ford, with total overseas assets representing more than $750 million, has just completed a $50-million expansion program at Cologne, and is financing another of $200 million out of profits at its Dagenham, England, works. Chrysler maintains a truck plant in Britain and an assembly plant at Antwerp, and is currently studying the possibility of further overseas expansion.

The other strong American influence is in oil, where only Royal Dutch-Shell and British Petroleum offer impressive competition to the Americans.

Marjolin's suggestion about joint financing uncovers an interesting split on how businessmen feel about the desirability of associating European capital in new ventures.

Ford executive Jack Sundelson announced flatly that his firm would refuse any further overseas operation without 100 percent ownership; "otherwise we're prepared to stay out entirely and sign technical agreements." He claimed that General Motors feels the same way. A Chrysler export representative differed sharply, declaring that a joint ownership system not only assuages nationalistic sensibilities but also secures further gains from the participation of experienced local management. His statement certainly reflects the way his superiors in Detroit are thinking in their efforts to make Chrysler competitive in the world's automobile markets; it is the only one of the United States "Big Three" that does not have substantial foreign production.

John D. Fennebresque, vice president of the California-based Food Machinery and Chemical Corp., agreed that political trends abroad were swinging against American financial domination, and predicted that many United States firms would actually prefer European collaboration to going it alone. The argument is worth following, for the way American corporation leaders think on this score may well determine the sort of welcome they get when they step off the boat.

LET'S LOOK AT THE TREATY

That boat ride, incidentally, may give them their first spell of leisure to browse through the treaty itself, a document comprising 248 articles and 3 annexes containing 9 lists, 13 protocols, 2 conventions, and 9 declarations. It weighed 2½ pounds in its original form.

By the end of this year, the pact specifies, each of the 6 participating nations is required to carry out a 10-percent cut in its tariffs on imports from its partners. Similar reductions will follow roughly every 18 months until the levies on most of this intramural trade are reduced to zero. The produced articles cheaper than those coming from nonmembers like the United States, since these imports will still be subject to duties.

The partners are to start readjusting external tariffs in a little over 3 years, and this will produce another kind of headache for certain United States exporters. The plan is to level off the divergent tariff hedges progressively until there is a single average scale on imports from nonmembers for all six nations.

Achieving an average entails, naturally, raising some barriers and lowering others. Unfortunately, the United States, which in 1956 shipped more than $2.6 billion worth of its goods to all 6 members of the EEC, normally sends two-thirds of these exports to low-tariff Belgium, Holland, Luxembourg, and West Germany, whose rates will tend to rise under the new program. Conversely, trade with France and Italy, which now charge high duties, will be substantially more attractive.

Here's the story of a specific product, hosiery machinery. In 1954–55, the United States exported $17.5 million worth to the six partners. More than two-thirds went to Germany and the Benelux nations, which all charge a 6-percent ad valorem duty. Less than one-third went to France (duty 20 percent) and Italy (duty 30 percent). After the transitional period ends, American producers will be offering the equipment to all six over a new common tariff wall—15.5 percent ad valorem. Competitors inside the fence, meantime, will enjoy free entry into their partners' markets. This is not an extreme case.

The United States Government already has lost its power to negotiate trade questions directly with individual governments of the six EEC nations, according to George W. Ball, a Washington attorney who is one of the Nation's authorities on common market legal problems. The reason is that such matters now affect common commercial policy of the six members, and their rule book says that policy questions now fall within the jurisdiction of the European Commission, which is empowered to negotiate on behalf of all of them.

There is one reassuring point, however: the community's averaged-out external tariffs are calculated as maximum rates. They can therefore be lowered, with the right inducement.

This very important consideration, which could mean salvation later on for hard-pressed American export firms, was spelled out before the influential A. M. A. executives by M. Marjolin. The Frenchman's shrewdly aimed message bears repeating, since it received little publicity at the time.

"Our attitude to American trade will be liberal and not protectionist," the common market spokesman promised. Then he quoted his authority, article 18 of the treaty:

"Member states hereby declare their willingness to contribute to the development of international commerce and the reduction of barriers to trade by entering into reciprocal and mutually advantageous arrangements directed to the reduction of customs duties below the general level which they could claim as the result of the establishment of a customs union between themselves."

The visitor, who had built himself a solid international reputation in 7 years as secretary-general of the 17-nation OEEC, leaned forward and raised his normally mild voice.

"This is a very important declaration that the way is open to the gradual reduction of our external tariffs, provided, of course, that other countries are ready to meet the community halfway," he declared. "We are ready to negotiate with the United States and other countries on the basis of mutual concessions. I don't need to go any further."

THE TRIALS OF RECIPROCITY

Indeed he didn't. His statement amounted to a united European appeal—with a veiled "or else" twist that European countries hitherto could not attempt singly—for a liberal extension of the Reciprocal Trade Agreements Act, now before Congress for renewal. President Eisenhower's request for a minimum 5-year renewal, with authority to negotiate reciprocal tariff cuts of up to 5 percent a year, is stirring the fiercest protectionist battle in years. Ironically, the debate comes at a time when a large segment of American industry is beginning to realize that its own best protection lies in broadening and liberalizing the law.

Yet the Wall Street Journal predicts the President's demand "doesn't stand a chance. He'll get a shorter extension with less tariff-cutting power."

If M. Marjolin saw any paradox in the spectacle of Europe being encouraged to rip down its trade barriers while we brawl over renewal of Mr. Eisenhower's extremely modest tariff-trimming powers, he kept politely quiet. It was left to Dr. Howard S. Piquet, senior specialist in international trade and economics at the Library of Congress, to give, although privately, the most plausible explanation of Congress' attitude: "The Congress just doesn't seem to have an awareness of the common market yet."

He emphasized repeatedly that without effective machinery to negotiate new trade agreements, the Government will be helpless to protect American interests. "Our power to negotiate is the only one we have," he said.

Some American manufacturers risk being frozen out of Europe in any case, it seems. Dr. Piquet concluded that unless we can negotiate concessions from the new Europe, its preferential tariffs will fall most heavily on manufactured goods, automobiles, aircraft, office machines, chemicals, and certain machinery. These account for about a third of the value of normal United States exports to the Community nations. Goods needed to feed the continent's own industries, like cotton, coal, scrap iron, copper, tobacco, and some steelmill products, will be unaffected by EEC, he feels. They make up 40 percent of the export total.

Dr. Piquet agrees with Dr. Francis McIntyre, who heads the economic research department of California Texas Oil Co., that some American exports will fall in the short run, while the need for capital goods will pick up. But for the long haul, they feel that the decline will be balanced when the changed structure of European industry creates a demand for other United States goods. A stronger economy will also increase Europe's capacity to earn dollars so that it can buy more here.

TEN COMMANDMENTS FOR TRADERS

The A. M. A. conference produced a good many helpful hints for American businessmen who want to get their share of the European market. They may be informally capsulized in these don'ts.

Don't delay your decision to long on entering Europe. If you wait, your competitors won't. Once real changes start, say after 5 years, momentum may push integration faster than scheduled, and you'll be left behind to tell it to the stockholders.

Don't base long-term decisions for plant sites or markets on present short-view conditions. Europe will be unrecognizable in a decade, barring a depression. Example: Germany may seem like a good bet now, with low wages and few strikes. But the treaty is supposed to equalize many labor costs with France's (i. e., upward), and German unions are growing impatient to share benefits of Germany's miraculous recovery.

Don't judge the common market on purely economic grounds. It is also a facade for a political mystique called United Europe. One European has said, "That's why we can surmount difficulties which appear insoluble in economic terms."

Don't expect to find a United States style market. Vanishing tariffs alone won't erase formidable barriers like language, regional preferences, different ways of life. Lack of standardization (measurement, safety margins, specifications, even screw threads and electric plugs) will linger for decades.

Don't be shocked to find cartels. This is Europe's version of a competitive economy, and good cartels are permitted under the treaty. Antitrust laws are likely to be neither tight nor extensive; certain segments of German and French industry are busy recartilizing right now.

Don't forget that European quotas are still a hurdle for many exports from the dollar zone. They may continue to be, since the treaty expresses hardly more than a hope for relief. Only about half of the region's dollar imports are quota-free now, versus 90 percent of intra-European trade.

Don't forget to keep in mind the next targets for unification. Zealots like Jean Monnet, "Mr. Europe," want common financial, fiscal, and credit policies; a true Europe-wide capital market; and perhaps eventually a common European currency. They also dream of merging the three existing communities—economic, coal, and steel, and euratom. The momentum of the European movement may force governments to go along on some points.

Don't disregard the potentialities of the free trade zone that Britain is trying to hook onto EEC to avoid economic isolation. Many insiders expect it to begin skeleton operations sometime next year, even if all the small print hasn't been written in. If it goes through, don't overlook Britain as a possible factory cite. The five-hundred-odd United States or Anglo-United States firms there will probably gain tariff-free entry to continental markets and simultaneously preserve preferential access to the British Commonwealth. (Of course, the prospect of this double advantage annoys the continentals.)

Don't eliminate Africa and South America from future expansion plans; they are good spots to cultivate while European countries are expending their energies and capital in their own backyards.

Don't be aggressively over-American. Shake hands 20 times a day if need be. Take a long lunch hour. Use the language; even if you're lousy at it, your effort flatters your companions.

OVERALL CONSERVATION AND RESOURCE DEVELOPMENT PROGRAM

Mr. HUMPHREY. Mr. President, recently I introduced in the form of Senate bill 3582 a proposed overall conservation and resource development program. In my statement relating to the provisions of the resource development program I stressed in particular the need to protect and expand our timber resources if we are to safeguard America's future.

The United States Forest Service has published a 700 page report, entitled "Timber Resources for America's Future," which lays down a program that will require implementation by the Federal and State governments as well as private enterprise. Some of the provisions of my bill S. 3582 relating to forestry are designed to carry out the recommendations of the United States Forest Service for the next decade.

Whatever public funds are expended in the protection and development of our forests may well be termed a sound and prudent investment. There will be a sure and definite yield and profit from this investment.

In the Minneapolis Tribune of April 3 there appeared an editorial entitled "Toward an Adequate Timber Supply." This editorial refers to the Forest Service study entitled "Timber Resources for America's Future." It notes in particular the interest Minnesota would have in the care and protection of our great national resources of timber.

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

I also ask unanimous consent to have printed at this point in the RECORD an editorial which appeared in the St. Paul Pioneer Press, entitled "Tree Planting

Makes Jobs." This editorial underscores what I said in my statement relating to the conservation and resource development program which I laid before the Congress on March 31. Resource development provides jobs now and insures long range security for the Nation.

I also ask unanimous consent to have printed at this point in the RECORD an article from the St. Paul Pioneer Press entitled "Study Urges Replanting of Forests."

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

[From the Minneapolis Tribune of April 3, 1958]

TOWARD AN ADEQUATE TIMBER SUPPLY

For many years America was cutting and losing by fire more timber than it was growing. So there was considerable satisfaction last year when word came that the deficit had been erased and that new growth was keeping pace with cutting and with forest fires.

Now comes a 700-page report from the United States Forest Service, "Timber Resources for America's Future," the most complete appraisal of the situation ever made in this country. This report notes that the Nation's population is expected to increase by 100 million in the next 40 years and that about twice as much timber will be needed for paper, lumber and other wood products. Yet the area growing timber will remain about the same.

Foresters think the challenge can be met through more intensive reforestation, improved fire and disease control, and better utilization of all kinds of trees. But a lot of cooperation will be needed from everybody concerned. And most of us are concerned.

In Minnesota and the rest of the Nation the drain is particularly heavy on softwoods—pine, fir and spruce. These are the most wanted for lumber and pulpwood. And the softwoods are losing ground. Minnesota used to have 18 million acres in softwoods, now has only 4.4 million acres. Three-quarters of a million acres have been lost since 1938. And the quality has dropped.

Minnesota has too much aspen and jack pine for a balanced timber supply. It has 4.5 million acres of land in the forest areas which are producing no timber crop, only grass and brush. It has 7 million acres in relatively small tracts, under 140,000 ownerships, which on the whole are not producing well. Much better management is practiced in public forests and on large private tracts.

Thus much emphasis is placed on the small holding my Federal and State forest services. Keep Minnesota green is encouraging private owners to establish tree farms and adopt better techniques. In so doing, the owners are not only insuring themselves more profit, but they are insuring the America of the year 2000 an adequate supply of valuable timber.

[From the St. Paul Pioneer Press]

TREE PLANTING MAKES JOBS

Tree planting and road and bridge improvements in the Superior National Forest this summer will provide jobs for several hundred persons. More than 2 million seedling trees will be put out around Ely, Isabella, Tofte, and Grand Marais. This will require 190 workers during May and June.

Minnesota has an almost inexhaustible need for tree planting and forestry improvement projects. Thousands of young men could profitably be employed in such activities if financing were available. Such an investment would bring a harvest of timber wealth to the state in future years.

[From the St. Paul Pioneer Press]

STUDY URGES REPLANTING OF FORESTS

America's industries and homes for her immense population of the future will depend on regrowing the vanished or vanishing forests of Minnesota and other timber States.

Such is a conclusion reached Saturday by the most complete appraisal of the Nation's timber resources ever made—a 700-page report prepared by the United States Forest Service on "Timber Resources for America's Future." The report is being released in Washington.

And in the face of the certainty of such future need, Minnesota still has 4½ million acres of cutover lands that are producing nothing except brush, the section of the survey referring to the Lake States region shows. This part of the report is understood to have been prepared with the help of the Lake States forest experiment station, headed by M. B. Dickerman of St. Paul.

For perhaps the first time, the full sweep of the blow struck by Minnesota's methods against this State's once immense conifer or soft wood stands is revealed by the survey. White and Norway and jack pine, spruce, balsam and tamarack were prominent.

Now, out of an original 18 million acres of softwood types, only 4.4 million acres remain and the extent of softwoods has shrunk ¾ million acres since 1936, the report shows.

REPLANTING NEEDED

Two and one-half million acres of Minnesota lands need artificial replanting, but that is proceeding at a rate of only 20,000 acres a year. The United States Government closed its own soil-conservation service nurseries. People can't get enough seedlings from State nurseries to plant their Soil Bank lands and tree farm projects.

Forty years from now, the Nation's present forest area of 489 million acres of commercial forest land will have to be growing twice as much timber to supply the needs of a population that has grown from 174 million to 275 million, the report says.

UNDER CAPACITY

Minnesota's biggest forest production problem is on the small plots in farm or other private ownership which are producing far under capacity. Of 7,481,000 acres of such lands, 4,881,000 are in farms and 2,600,000 are in other private ownership, it shows.

Extreme death losses and lowering of quality resulting from insects, diseases and, to a diminishing degree, fires are severe problems in Minnesota and the Nation.

If they are not to suffer severely from food scarcity in the future, this State, this region and this Nation will have to manage their timber resources better in the future, the report shows.

AGRICULTURAL SUBSIDY—A PARTNERSHIP AFFAIR

Mr. HUMPHREY. Mr. President, as one who has always been looking for newer and sounder approaches to problems of our agricultural economy, I have always felt the first problem is to reorient the public's thinking about basic issues involved.

For that reason I read with great interest, recently, an address given by Dr. Russell Coleman, executive vice president of the National Plant Food Institute, in which he effectively justifies, from the consumer's standpoint, public investment of funds in agricultural programs, and makes a strong case for encouraging abundance, in the public's interest, instead of scarcity.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the address referred to, delivered by Dr. Coleman at the California Fertilizer Association Annual Convention, November 4, in San Francisco.

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

AGRICULTURAL SUBSIDY—A PARTNERSHIP AFFAIR

(Address by Dr. Russell Coleman, executive vice president, National Plant Food Institute, Washington, D. C., at the California Fertilizer Association Annual Convention, November 4, 1957, San Francisco, Calif.)

A SUMMARY STATEMENT

Nothing which I say today should be interpreted as an attempt on my part to underestimate the agricultural surplus problem or as an endorsement or an indictment of past farm programs. I am in complete sympathy with the Secretary of Agriculture, Under Secretary Morse, and their entire staff in attempting to find a solution to our knotty agricultural problems.

In my remarks I am anxious to make one point of which I am strongly convinced. The most important challenge facing agriculture today is to use all its forces to see that technological advancements continue to be applied more quickly on the farm. Why do I feel that this challenge overshadows all others—yes, even our agricultural surplus problem? Let us examine briefly the record which agriculture has made since 1910. Therein lies my strong conviction on this subject.

The application of technology by farmers has resulted in outstanding savings not only to the farmers themselves but to the American public. According to Dr. Byron T. Shaw, Administrator, Agricultural Research Service of the United States Department of Agriculture, if farmers were farming in 1950 as they farmed in 1940, the American housewife would be paying $10 billion more annually for her food bill. If this principle were applied to 1957, savings on the consumer's food bill would probably amount to $13 billion instead of $10 billion. The significance of this fact to me is that because American farmers have applied technology during this period they have in a way subsidized the consumer's food bill. Let's take a look at this $10 billion annual savings which the American farmer has passed on to the consumer because of his efficiency during the 1940–50 period and compare it with the cost of our agricultural program today.

All programs in the USDA are costing the American taxpayer about $5 billion annually. To buy and store surplus agricultural commodities costs about $2¼ billion annually. The $10 billion which the consumer has saved because of improved farm efficiency will pay for twice the entire USDA annual appropriation.

The American farmer has subsidized the American economy in other ways. If efficiency in agriculture had not increased from 1940–55 American farms would require 7 million more workers; labor which would not have been available for industrial expansion. During the last few years increased efficiency on the farm has released 50 percent of the farm youths for productive employment in industry. These young Americans who were nurtured, trained, and educated on the farm are now making their contribution to our Nation's industrial economy. Because of them our industry has been able to expand further and our Nation's standard of living has been improved. Is this not a subsidy in human resources?

Now let's take a look at our own industry and its specific contributions. Conservative estimates by individuals in the Department of Agriculture show that the increasing usage of fertilizer since 1940 has saved the American housewife $2 billion of the $10 billion annually in her food bill. In other words, if fertilizers were being used today on the same limited basis as in 1940, even though other agricultural progress has been made, the American housewife would be paying $2 billion a year more for her food items. This $2 billion savings which the increased use of fertilizer alone has contributed to the American taxpayer since 1940 almost pays the entire cost of our agricultural surplus program.

Technological advancements in the fertilizer industry have brought the cost of plant food down. If plant food costs had advanced as much as other things he buys, the farmer's fertilizer bill today would be $1¼ billion more. This cost would have to be passed on to the consumer. This annual savings on the part of our industry represents a major contribution to our national welfare and shows that the fertilizer industry is in partnership with progress.

Many claim that the application of technology is the reason for our agricultural surplus problems. Let us examine this belief as it applies to fertilizer. The use of fertilizer today accounts for at least 25 percent of the Nation's food supply. Our agricultural supply today is only about 4 percent in surplus. Without fertilizers, instead of there being a 4-percent overproduction, there would be a 21-percent shortage.

Only one conclusion can be drawn from the facts. The savings which technology has made for the farmer and the consumer are much greater than the cost of the agricultural surplus. Where will this Nation be in 1975? Can we afford to neglect farm efficiency even for so important an objective as to solve the agricultural surplus problem? If that should be done, then the 17-year period 1958–75 may not be as fruitful to the American farmer or the American housewife as the 17-year period 1940–57.

We are principally interested in the above subject because it affects the attitude of the American public and the farmer toward plant food. I am anxious to emphasize here that our industry is not only justified, it is obligated to sell more and more of its product as an essential part of progressive agriculture.

I am convinced that the American taxpayer has seen only one side of the subsidy story, that which he is contributing to the farmer. There is another side. It is our responsibility to tell the whole story and to show that the agricultural subsidy is a partnership affair.

NUCLEAR TEST INFORMATION

Mr. HUMPHREY. Mr. President, this morning's New York Times contains some encouraging information about the relaxation by the Atomic Energy Commission of its overclassification of information on past nuclear tests. From time to time I have called for the release of information which, it seemed to me, ought to be divulged in the public interest.

I have been apprehensive about the tendency to overclassify—a tendency which has been exhibited by the Atomic Energy Commission on more than one occasion. Consequently I am happy that the AEC is now disclosing the information described in an article written by Mr. John W. Finney in this morning's New York Times. I ask unanimous consent that the text of this article entitled "Scientists Given More AEC Data," be printed in the RECORD at this point.

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

SCIENTISTS GIVEN MORE AEC DATA—TIME AND PLACE OF PREVIOUS BLASTS MADE AVAILABLE TO ASSIST IN EARTH STUDY

(By John W. Finney)

WASHINGTON, April 14.—The Atomic Energy Commission is disclosing the time and place of 15 past nuclear explosions to help scientists learn more about the structure of the earth.

The information, which is being declassified and circulated freely among the world's scientists, also should help determine the feasibility of an international inspection system to detect nuclear tests.

In response to requests from seismologists the Commission is lifting secrecy on explosions in 1954, 1956, and 1957. It is now learned that at least seven explosions took place in the Pacific in 1954 and 1956 that never were announced.

The Commission is undecided whether to announce all the tests in the forthcoming Hardtack series at the Pacific proving ground. It will probably make known only those it deems significant.

For what it terms security reasons, it has not listed all explosions in the Pacific. Now, the Commission is confronted with the psychological problem that an announcement of all tests would serve to emphasize the reported Soviet ban on them.

Seismologists have long believed that with atomic explosions they have a precise and revolutionary new tool for studying the earth's interior. By studying the shock waves from explosions, they can draw important conclusions, such as whether the earth has a liquid or solid inner core.

Thus far they have been handicapped because, except for the 1946 Bikini explosion and last September's underground shot in Nevada, there has been no precise information on the time and place of explosions.

TEN AT ENIWETOK

Dr. Willard F. Libby, the scientist member of the AEC, said data was being given on six explosions at Eniwetok in 1956 and five at the Nevada proving ground in 1955. Still being withheld for security reasons is the exact explosive force.

In explanation Dr. Libby commented that "the world's leading seismologists say without qualification that atomic tests make possible for the first time a detailed investigation of the earth's internal structure."

"In other words," he said, "the science of seismology can be remade by atomic explosions from qualitative and definite discipline into a precise and accurate methodology."

Seismologists said the information should make it possible to determine the exact velocity of shock waves through the earth. This is not possible when dealing with an indefinite source such as an earthquake.

In turn more light would be shed on the nature of the earth's outer crust, which is about 31 inches thick; the physical and chemical properties of its mantle, which extends from a depth of 31 to 1,812 miles and the composition of its outer and inner cores.

By studying whether types of waves from large atomic explosions pass through the center of the earth, it should be possible to test a concept that the outer core, stretching from a depth of 1,812 to 3,200 miles is composed of plastic material while the 781-mile-thick inner core is a solid mass, more rigid than steel.

The improved knowledge about the velocity of shock waves will be of assistance in pinpointing earthquakes.

Aside from this scientific advance, seismologists say the knowledge should help clear confusion over the possibility of detecting underground, underwater or near-surface atomic explosion by seismological means.

Mr. HUMPHREY. Mr. President, the same newspaper contains an article by Robert K. Plumb about new equipment to determine radioactive fallout. This development can also be of the highest significance in the whole matter of nuclear tests.

I ask unanimous consent that the text of this article, entitled "New Equipment Counts Fallout," be printed in the RECORD at this point.

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

NEW EQUIPMENT COUNTS FALLOUT—AEC DESCRIBES METHOD FOR MEASUREMENTS TO SOCIETY OF CHEMISTS

(By Robert K. Plumb)

SAN FRANCISCO, April 14.—New equipment to determine the world-wide distribution of radioactive fallout was described here today at the annual meeting of the American Chemical Society of the Atomic Energy Commission.

There is no absolute method for measuring the amount of radiation. The evaluation of different methods of measurement can only be comparative. However, the new technique was reported to be "equivalent" to current methods. Also it may be more convenient for use by untrained personnel at remote testing stations where only one or two fallout samples may be accumulated in a month.

The new method for collecting fallout materials was tested for 6 months in 1957, starting in July, according to a report by George A. Welford and Dr. John H. Harley, both of the Health and Safety Laboratory in the New York operations office.

EXTREMES ARE REPORTED

Extremes in monthly activity, during the period, reported in millicuries per square mile, were: between 167 and 32 millicuries for total beta radiation; 0.85 to 0.34 for the radioactive isotope strontium 90; 26 to 5.2 for strontium 89 and 60 to 2.4 for barium 140.

The measurements were made in New York City. The high in strontium 90 was obtained in December. The maximum measurement of strontium 89 and barium was made in August.

The measuring equipment consists of a funnel through which radioactive particles fall into an ion exchange column packed with paper pulp and selective chemical absorbing agents dissolved in water. After fallout accumulated for a month it was shipped to a laboratory. The radioactive particles were identified and measured by electrical and chemical analysis.

Mr. Welford said that the commission's Health and Safety Laboratory had measured fallout since 1951 when shovels were used to scoop up "hot" snow in New York City and determine the amount of radiation it contained. The new system provides a means of identifying the isotope content as well as a measure of the total radiation in fallout.

Mr. Welford said that the technique is a modification of a device originated by the Swedish Research Institute of National Defense.

From the chemical analysis of the specific chemical compounds in fallout—both radioactive and non-radioactive—have come clues to the type of nuclear detonations that have occurred in Siberia, near Australia, in Nevada and in Eniwetok.

In measuring fallout, the world-wide system now in operation employes gummed paper upon which the settled particles from

earlier nuclear detonations descend and stick, Mr. Welford said.

Direct analysis of samples of surface soil has also been used, they reported. A third method of using open pots to collect radioactive dust has been tried.

Dr. Ernest H. Volwiler received the 1958 Priestley Medal of the American Chemical Society in a ceremony here tonight. Dr. Volwiler, chairman of the board of directors of Abbott Laboratories, North Chicago, was cited for contributions to chemistry in receiving the highest honor of the society.

William L. Laurence, science editor of the New York Times, received the James T. Grady Medal for distinguished reporting of chemical progress.

Mr. HUMPHREY. Finally, Mr. President, there is a helpful editorial in the New York Times entitled "Detecting Bomb Tests." I particularly appreciate the friendly and balanced approach which this editorial takes to the efforts some of us are making in this whole area of public concern. I ask unanimous consent that the text of the editorial be printed in the RECORD at this point.

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

DETECTING BOMB TESTS

An investigation into the problem of nuclear test suspension and the necessary conditions for it is being scheduled by the Senate Disarmament Subcommittee headed by Senator HUMPHREY. Certainly an honest and searching effort to ascertain the facts in this critically important area is both timely and necessary. It is timely in view of the possibility of early preparatory talks for a summit meeting at which the problem is bound to be discussed. It is necessary in order to try to reconcile conflicting expert opinion on this highly controversial issue.

The crux of the problem, as of all disarmament problems, is what it has always been—adequate control. Even the Soviets admit that controls are necessary. But the administration hitherto has tied the ending of the tests to an end of the production of nuclear weapons. However, serious consideration is now being given to the possibility of divorcing the testing from the production of weapons and even to ending the tests if the forthcoming series yields sufficient scientific information.

The Soviets, on the other hand, say: "Stop the tests but not the bombs"—except on paper. On that basis, after intensive tests of their own nuclear weapons which according to Senator HUMPHREY, produced an almost catastrophically dirty fallout, the Soviets announced a unilateral but conditional and uncontrolled suspension of further testing. Foreign Minister Gromyko agrees that this does not remove the danger of atomic war, but the Soviets have been able to score substantial gains in propaganda with it.

In these circumstances Mr. HUMPHREY approaches the problem with a cautious realism. He wants to investigate the problems involved in controlling both a test suspension and a cutoff in the production of nuclear weapons. He also recognizes that while underground tests might be detected at great distances, nevertheless, as in the cases of underground explosions claimed to have been made for peaceful purposes in Soviet Russia and China, on-the-spot investigation is necessary to ascertain whether the claims are true.

In any case, we fully agree with Senator HUMPHREY that before going into a summit meeting the United States should first call a meeting of the United Nations Disarmament Commission and if necessary go to the Security Council to discuss these problems. Let the Soviets display their bad faith by boycotting these institutions, if they will.

WISCONSIN DEVELOPMENT CREDIT CORPORATION: A FINE EXAMPLE OF STATE ANTIRECESSIONARY ACTION

Mr. WILEY. Mr. President, speedy action on pump-priming measures—including the community facilities bill with any necessary modifications—for stimulating work and creating more jobs is, of course, extremely important. The Federal Government, indeed, should do all it properly can to resolve our current economic problems.

I wish to stress again, however, that dealing with the problems of unemployment and economic slowdowns is not the sole responsibility of the Federal Government. The fact is that the States and local communities do have a real responsibility for attempting to solve these problems.

I am happy to point out that Wisconsin is assuming a highly responsible role in this field. For example, we have more than 165 industrial development corporations—largely community sponsored and nonprofit—that are making a real contribution toward stimulating industrial activity, creating jobs, and generally boosting the economy. This is the kind of local action that is definitely needed.

Today I would like to call particular attention to a project born of local-State cooperation, the establishment of the Wisconsin Development Credit Corp. Authorized by our Wisconsin State Legislature in 1955, this corporation is designed to encourage new and existing industry in the State. It makes loans to companies that would not ordinarily qualify for obtaining money from banks or other financial institutions. As we know, obtaining loans to carry on their operations, for example, is one of the most difficult problems facing our small businessmen.

Common stock in the credit pool has been purchased by bankers as individuals, industrial development groups, chambers of commerce, and others in the State.

The April 11 issue of the Milwaukee Journal carries a more detailed account of the establishment, purpose and initial actions of this credit corporation. I request unanimous consent to have the article printed at this point in the RECORD.

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

DEVELOPMENT CORPORATION MAKES FIRST LOANS—STATE CREDIT POOL TELLS AID TO LAKE DELTON CHEESE FIRM, MEDFORD WOOD SHOP

The first two loans made by the Wisconsin Development Credit Corp. were announced Friday.

The corporation, a credit pool designed to encourage new and existing industry in the State, makes loans to companies that would not ordinarily qualify for money from banks or other financial institutions.

A directors' committee of the corporation, meeting in Madison Thursday, approved the following loans, each for $25,000:

1. To Dells Cheese Co., Lake Delton, which purchases Wisconsin cheese and packages it for national distribution. The loan will permit the company to enlarge its activities and add 25 to 30 employes to the packing operation, according to John Stauber of Marshfield, president of the credit pool.

USE STATE MATERIALS

2. To Sturdi-Craft, Inc., Medford, a woodworking concern, for plant expansion. About six employes will be added. The firm uses lumber, mostly from Wisconsin, to build children's furniture, fencing and trim.

In each instance, Stauber noted, the company makes use of basic Wisconsin products, which results in the stimulation of other industries. About 15 active loan applications are on file.

URGED BY BANKERS

The corporation, patterned after the successful credit pools of New England, was authorized by the 1955 legislature at the urging of the Wisconsin Bankers' Association. Then began a lengthy campaign to raise the minimum capital of $25,000 required to organize the corporation.

This goal was reached last November, and lines of credit pledged by banks reached $216,900. Capital currently is about $27,500 and pledged credit $235,000.

If possible, the corporation encourages borrowers to make arrangement with conventional sources. Its role is to fill the gap between loans that can be made by financial institutions and equity capital.

Money for the first two loans was borrowed from a bank on a short term basis. As rapidly as possible, the loans will be shifted to the credit lines pledged by the participating banks, on a pro rata basis.

Common stock in the pool was purchased by bankers as individuals, industrial development groups, Chambers of Commerce and others.

MESSAGE FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that Hon. JOHN W. MCCORMACK, a Representative from the State of Massachusetts, had been elected Speaker pro tempore during the absence of the Speaker.

The message announced that the House had passed, without amendment, the following bills of the Senate:

S. 280. An act for the relief of Agapito Jorolan; and

S. 2230. An act to authorize the Secretary of the Interior to convey certain lands to the Charlotte Rudland Dansie Association.

COMMUNITY FACILITIES ACT OF 1958

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1457, S. 3497, known as the Community Facilities Act of 1958.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3497) to expand the public facility-loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes.

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

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

AMERICAN FAIR IN MOSCOW

Mr. HUMPHREY. Mr. President, I wish to address myself at this moment to the subject of the American fair in Moscow.

Mr. President, for nearly 2 years I have been interested in the proposed American Fair in Gorki Park, Moscow, U. S. S. R. I have had numerous meetings and voluminous correspondence with many of the persons, official and unofficial, who have been connected with the complicated, behind-the-scenes negotiations on this question.

From time to time I have alluded to this matter publicly on the Senate floor, but I have never addressed myself to the subject in the detail which I believe is now required. I have restrained myself, as I did not want to damage delicate negotiations as they were proceeding or to jeopardize their successful conclusion.

Recently the Senate and the House have taken what I consider to be ill-advised action in withdrawing a total of $1,850,000 from the $2,200,000 appropriated in August 1957, for official United States Government participation in this fair. The withdrawal of these funds was predicated on the assumption that there would be no official participation this year in an American Fair in Gorki Park, Moscow. I believe this assumption is unwarranted, that there is still time for action, and that, therefore, I have an obligation to speak out on this question today.

Mr. President, a few moments ago I said that negotiations had been delicate. In this case there was far more delicacy in the negotiations between private American businessmen and the United States Government departments than there was between any American and Soviet officials. I think it is essential that this unfortunate fact be fully understood in the Congress. In many ways it is a peculiar story of how lower echelon appointees in an administration dedicated to private enterprise have almost, but not quite, successfully stifled the initiative of private business in preparing for the holding of an important American fair in the heart of the Soviet Union.

My file on this subject stretches over the last 2 years. Among the items are two newspaper accounts which in a way describe the initial hope for the fair and the administrative bungling which has and continues to handicap it. The first article is an editorial which appeared on July 1, 1956, in the Des Moines Sunday Register entitled "A United States Fair in Moscow?" The second is an article which appeared in the March 2, 1958, issue of the New York Herald Tribune entitled "Moscow Fair Exhibit Bungling Laid to United States."

I ask unanimous consent that the text of these two articles be printed at this point in the RECORD.

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

[From the Des Moines Sunday Register of July 1, 1956]

A UNITED STATES FAIR IN MOSCOW?

The Soviet Government has agreed to permit a United States agricultural-industrial exhibition in the heart of Moscow during the summer of 1957. A private group, led by promoter Gottfried Neuberger, of New York, obtained the Soviet invitation. This includes a contract for the rental of four exhibition halls in Moscow's Gorki Park.

A special subcommittee of the House Committee on Agriculture, headed by Representative VICTOR ANFUSO, Democrat, New York, has been appointed to study the proposed project. Chairman HAROLD COOLEY, Democrat, North Carolina, of the House Agriculture Committee, and Representative ANFUSO are enthusiastic about it. Representative ANFUSO said:

"The committee will undertake an earnest study of this matter from the point of view of the benefits to be derived by the United States. If it is found to be advisable for our country to participate in this fair, then a sincere effort should be made on our part to present the best that speaks for America—not our war potentials—but the fruits of our agricultural and industrial growth, the bountiful blessings given to us by the Almighty and developed by a free and independent nation.

It should also be our task to make clear to the Russian people that the ingenuity and techniques of the American people and huge surpluses of food and other essential items of modern living are available to all friendly peoples. We should spare no efforts to impress upon the Russian people that we stand ready at all times to make any sacrifice to remove starvation and discontent from the face of the earth."

Mr. Neuberger has been trying to arouse interest for the project in Washington but has had a cool reception from the State Department and from the United States Information Agency.

Neuberger does not want Government financing but only Government endorsement of the project. He has been traveling around the country including a visit to Des Moines, and reports enthusiastic reception of his idea from business firms which would like to take part in the show. He said so many firms are interested that he already has had to quadruple his estimate on the size of the fair.

We think this proposal for an American farm-industry show in Moscow is a splendid idea. We hope Congress will adopt a resolution supporting it, and encouraging cooperation by Government agencies.

Millions of people from all over the U. S. S. R. visit Moscow every summer to attend the All-Union Agricultural Fair there. An American fair in Moscow would attract these millions in addition to the millions of Muscovites. This would be an excellent opportunity for the United States to make contact with ordinary Russian people.

The best thing about this show is that it would be a private enterprise deal—not Government propaganda. Mr. Neuberger believes he can get the Soviet Government to set aside a considerable fund of dollars for purchase of items exhibited at the fair. Of course, no goods on the banned list of strategic items would be included. He says the firms involved would supply technicians to show the Russians how to operate the farm machines and industrial equipment in the exhibits.

Here is a chance for the United States to strike a powerful blow in the war of ideas. We hope official timidity and resistance to new ideas will not stand in its way.

[From the Des Moines Herald Tribune of March 2, 1958]

MOSCOW FAIR EXHIBIT BUNGLING LAID TO UNITED STATES—CHARGE COMMERCE DEPARTMENT SOURED DEAL FOR AMERICAN BUSINESS

(By Marguerite Higgins)

WASHINGTON, March 1.—Charges that "the United States Government muffed its chance" to participate in a trade fair in the heart of Moscow are soon to be made in Congress, it was learned today. Interested legislators contend that the Government of capitalist America tried to prevent private enterprise from having its day in Russia.

A last-minute intervention is reported to have been made by Sherman Adams, the assistant to President Eisenhower, in an attempt to get the facts. A mysterious resignation in the Department of Commerce is also to be investigated.

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, is among the legislators involved. He has been biding his time, hoping that a feud among the Commerce Department, State Department, and America Abroad Associates, a private firm which organizes international fairs, could be settled. But the Government yesterday officially disassociated itself from Moscow Fair for this year, and Senator HUMPHREY and others feel that an exposé is in order. They charge that the reasons given by the Commerce Department for pulling out is a clumsy coverup for missing a unique opportunity to put on the best possible show in a place where nothing less than the best should be staged.

UNITED STATES STATEMENT

The Commerce Department stated that it will not need the $2,200,000 appropriated for a United States Government exhibit at the Moscow fair because it had been unable to obtain an agreement with the Russians on contents of exhibit or return of items to be displayed. The facts, according to the Senator's office, are that under a contract between America Abroad Associates and the Soviet Government, the United States Government could have used the space offered to it by the private trade-fair firm in any way it chose. There are no restrictions in the contract with the Russians on any items that may be displayed nor, indeed, any restrictions on what may be done with the items once the fair is over.

The real trouble, according to investigations by the Senator's staff, is that the Government didn't want to work in partnership with the private trade-fair firm but wanted to take charge of the exhibit itself, although legislation provides that appropriated funds shall be used to promote to the maximum the activities of private enterprise of American business behind the Iron Curtain.

WILL GO AHEAD

Despite the Government's disassociation from the Moscow Fair, America Abroad Associates intends to go ahead with the exhibits scheduled for midsummer in Moscow's Gorki Park. Officials say that important American businesses are already signed up. But they acknowledge that lack of official recognition is a handicap.

The remarkable story, which could have happened only in post-Stalin Russia, began in February 1955 when Gottfried Neuberger, president of America Abroad Associates, and New York lawyer Marshall MacDuffie,

head of UNRRA's mission to the Ukraine in World War II, decided, after noting how Russians flocked to the dull agricultural fair in Moscow, to press for a contract to stage a United States exhibit. To their surprise, the deal went through. It was suspended at the time of the Hungarian revolution, but was renewed.

POLICY CHANGES

At first the United States Government was aloof, since the policy at the time was to leave all such things to private enterprise. The policy changed, and a number of officials, including Harrison McClung, former head of the Office of International Trade Affairs, tried to talk the Russians into backing out on the contract with Mr. Neuberger and to conclude one directly with the Department of Commerce. This, according to Soviet officials, puzzled the Kremlin, which had difficulty reconciling its notions of capitalist America with governmental efforts to undercut a private business.

Meanwhile, Mr. Neuberger offered the Government a third of the space of the exhibit, a third of the gate receipts and a voice in passing on what could be shown. There was a quarrel over the gate receipts, with the Government insisting alternately that there should be no gate receipts and on getting 40 percent of them. Finally, the Commerce Department argued that Mr. Neuberger might sell space for the wrong kind of exhibits. Ignoring the invitation to set up an advisory committee, it decided early last month to disassociate itself from the exhibit unless it were handled on a government-to-government basis.

At this point, a partisan of the Moscow Fair got to Mr. Adams with the argument that a quarrel as to who should run things should not stand in the way of America's enormous interest in making the most of the opportunity behind the Iron Curtain. He added that the Commerce Department was painting a false picture of the situation by characterizing Mr. Neuberger as an interloper.

Mr. Adams sent a stern letter to Mr. McClung, demanding the facts.

Shortly after receiving the Adams letter, Mr. McClung resigned, giving as his chief reason that he had been unable to keep within the trade-fair budget. The Commerce Department held up its official withdrawal from the Moscow Fair and instead wrote Mr. Neuberger an unprecedented letter asking him—a private citizen—to get the Russian Government to sign a contract directly with the United States Government for that part of area which would be under official auspices.

Anxious to appease Washington, Mr. Neuberger flew personally to Moscow, to be told in effect that this seemed superfluous, since under his contract he could himself assign the space to the United States Government.

Yesterday the Commerce Department announced that it was reluctantly withdrawing.

Mr. HUMPHREY. Mr. President, let me summarize the facts in this matter as I now see them.

First. For the first time in 40 years of Soviet history this coming August there will be an American exhibit in the Soviet Union. That is a significant historical development. This fair is exclusively American, and no other country will participate in it. I ask my colleagues to understand the significance of that particular development. The Soviet Union is willing to turn over Gorki Park, one of the great parks in Moscow, to American industry, to the United States of America, for an American exhibit. This willingness has been evident for some 2 years, but, as I have indicated, there has been considerable confusion as to arrangements.

Second. The fair will be held in the very center of Moscow, in Gorki Park, and a total of 250,000 square feet of space has been made available for this purpose. This site and the same exhibit buildings have been used in previous years for exhibits by other foreign countries, including some of our Western allies. All these other exhibits, however, have been smaller in size.

Third. The Soviet Foreign Trade Ministry has set aside an overall allocation of $15 million for purchases from the American exhibitors. It was made clear that no goods of a strategic nature would be exhibited or offered for sale. It must also be noted that the present best estimates in Moscow are that 3 million persons from countries otherwise cut off from contact with the United States of America will visit this American Fair and that for most of these it will be their first chance to see our country in exhibition as it really is.

Fourth. The Soviet mass mediums have given very wide, advanced publicity to this American Fair, and as a result the average man and woman in the U. S. S. R. look forward to this American exhibit with the greatest anticipation.

Fifth. The fair is under American professional management. Leading American trade-show managements have formed a group, called America Abroad Associates, Inc., and this management has been warmly endorsed by the American exposition management industry. This is fully in accordance with American tradition: The American Government has never managed a fair but has only rented space in existing fairs.

Sixth. Negotiations with the Soviet authorities about the holding of this fair were started in June 1955 by International Trade Shows after having made sure that there was no objection to such negotiations on the part of the White House, State Department, United States Information Agency, Department of Agriculture, and other parts of the executive branch.

Seventh. All preparations, meetings, and negotiations were reported in the American press. The departments concerned, as well as interested Members of Congress, were kept currently informed of developments.

Eighth. In May 1956, an agreement was reached between International Trade Shows and the U. S. S. R. Chamber of Commerce in Moscow—this organization is in charge of making arrangements for all foreign fairs in the Soviet Union and for all Soviet exhibits abroad—for the holding of the American Fair from July 4 to August 11, 1957. In September 1956, the then official Director of the Office of International Trade Fairs in Washington went to Moscow and, according to Mr. Gottfried Neuberger, of International Trade Shows, "interfered seriously and directly with the plans for the fair." In October 1956, at the express request of the Departments of Commerce and State, the fair was postponed in view of the developments in Hungary which, according to these departments, necessitated the temporary breaking off of all cultural contacts between the United States of America and the Soviet Union, including the fair.

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

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Minnesota yield to the Senator from Pennsylvania?

Mr. HUMPHREY. I yield.

Mr. CLARK. Has the Senator had occasion to see an article entitled "Private United States Exhibit in Moscow Has Washington Talking to Itself," which appeared in this morning's New York Times?

Mr. HUMPHREY. I have, indeed. I read the article this morning. I hope the Senator will place the article in the RECORD at some point in my remarks today.

Mr. CLARK. I ask unanimous consent, Mr. President, that the article be printed in the RECORD at the conclusion of the remarks of the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. I would appreciate that very much.

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

(See exhibit 1.)

Mr. HUMPHREY. I will say to the Senator from Pennsylvania that the body of my discussion today is directed toward the very observations contained in the article.

Mr. CLARK. I asked the Senator from Minnesota if he would mind being interrupted briefly, because I know what a valiant fighter he has been for the exchange-of-persons program, which the State Department purports, at least, to be supporting. To my way of thinking that program is very important, indeed, to relieving international tensions and encouraging people from behind the Iron Curtain to talk with more people on our side of the curtain, in the interest of achieving better understanding.

I know the Senator has made an equally valiant effort to advance the American point of view in connection with the Brussels Fair. I was happy to support the Senator in that regard. I regret that, because of certain action on the part of the other body, it was not possible to achieve our goal.

I wish to commend the Senator for the speech he is making with respect to the fair at Moscow. I hope that as a result of the Senator's remarks the State Department will take another look at the matter, because, in my judgment, this is one of the very best ways to implement a policy which the President of the United States has stated he personally very warmly endorses.

Mr. HUMPHREY. I thank the Senator for his very valuable and commendable support. It is very gratifying, and it will be helpful in this effort.

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

Mr. HUMPHREY. I am happy to yield.

Mr. SALTONSTALL. I heard what the Senator from Pennsylvania said, and I heard the substance of what the Senator from Minnesota said. As a member of the Appropriations Committee, let me say that the committee felt very strongly

that we should do everything we could to provide an adequate exhibit at the fair at Gorki Park. Finally it was found to be perfectly impracticable to do so, although it was decided not to withdraw the appropriation. Apparently the space which had been reserved for us had been leased to a private individual, and under the circumstances, we could not put on a United States exhibit.

I think the Committee on Appropriations was practically unanimous in feeling that something should be done, but we found that the idea was impracticable, and we had to give it up, with the hope of putting on an exhibit in some future year.

Mr. HUMPHREY. I am about to refer to the subject which the Senator from Massachusetts is now discussing. The Senator is correct in stating that the Appropriations Committee and the Congress appropriated $2,200,000. But because of official "snafu"—and I can think of no other term that is more appropriate—the situation became complicated and confused. A private company had indeed been awarded a contract and perhaps some Members may have felt that this obviated the use for the public moneys that there would have been had the exhibit been Government-sponsored. I shall address myself further to that subject.

Mr. SALTONSTALL. Mr. President, will the Senator further yield?

Mr. HUMPHREY. I am happy to yield.

Mr. SALTONSTALL. It is my understanding that the Government could not put on an exhibition with public moneys and with public authority guiding the nature of the exhibit, in the space which was allotted to it, because it had already been leased by the Russian Government to a private individual.

Mr. HUMPHREY. I appreciate the Senator's participation in this discussion. I know of his serious concern over this subject. If he will bear with me, I shall develop the point.

Mr. SALTONSTALL. I thank the Senator for permitting me to interrupt. I interrupted because I agree with the Senator from Pennsylvania, and I wished to express that view.

Mr. HUMPHREY. I thank the Senator.

Ninth. On June 17, 1957, Mr. Gottfried Neuberger—the gentleman to whom I referred a moment ago—left by air for Moscow to negotiate a new contract for the holding of the fair in the summer of 1958. On June 18, 1957, President Eisenhower sent a supplemental appropriation request to Congress, calling for the sum of $2,200,000 "for a United States exhibition in Moscow in the summer of 1958. This appropriation would be used to build and operate a large exhibit of American life and industry in Gorki Park, Moscow."

Tenth. On July 12, 1957, a contract was signed in Moscow between International Trade Shows—which is the private group—and the U. S. S. R. Chamber of Commerce for the holding of the American Fair from August 1 to August 31, 1958, in Gorki Park. During July 1957, the Departments of Commerce and State were notified in writing about the signing of this contract and their active support and cooperation was invited.

Eleventh. One month later, at the end of August 1957, Congress appropriated the requested $2,200,000.

Twelfth. From the very beginning the management of the American Fair had visualized this first American exhibit in the Soviet Union as a joint enterprise of American free enterprise system and the American Government. It had been stated often and emphatically that, without the complete active cooperation of both, the fair could not be a success. It had been proposed that the participating American business firms should put their best foot forward and arrange their commercial exhibits according to their own wishes and ideas. It was proposed on the other hand that the Government should arrange and finance exhibits that were of a general and noncommercial character, such as displays and presentations depicting the American way of life, American history, our social and governmental systems, and similar exhibits.

Thirteenth. Unfortunately, the desired governmental support and participation was not obtained, and instead a peculiar competition developed from the moment that it became apparent that the Soviets would permit such an American exhibit.

I say that the cooperation was not obtained, despite the fact that the money was available. I speak of lack of cooperation at the working level, which so complicated matters and weakened the possibility of an effective presentation.

Mr President, formal negotiations were held between the Department of Commerce and International Trade Shows in the fall of 1957, but when, after repeated urgent requests, a copy of the new contract for the fair was furnished to the Department of Commerce, these negotiations were suddenly broken off immediately thereafter. Another Government delegation left for Moscow, consisting of the persons who had participated in the above-mentioned negotiations and of the then Director of the Office of International Trade Fairs.

Fourteenth. On October 3, 1957, a memorandum was sent to five leading Commerce Department officials, instructing them about the Moscow Fair situation and including the following model question-and-answer page for answering business inquiries about the fair:

Question. I just got a call from a fellow named Neuberger who wants me to exhibit at a fair he is running in Moscow. Is he running a fair?

Answer. He has a contract with the U. S. S. R. to run a fair.

Question. Does this have your approval?

Answer. This is his personal business. We are not involved and are expressing no opinion.

Question. Well, I don't want to exhibit unless this has Government approval. Are you going to give it your approval?

Answer. Since this project is a private one the Government is not doing anything either to oppose or support it.

Question. Well, you have an appropriation to put on a fair. I don't want to exhibit in two fairs. If you are going to put one on, I would rather exhibit in yours. Are you?

Answer. As of now, we are examining the whole question.

Question. What's the trouble?

Answer. One of the problems is that Mr. Neuberger's contract is for a fair on the premises we planned to use.

Question. Does that mean you are not going to put on a fair?

Answer. No; it merely creates a problem that has to be worked out.

Question. Are you working on it?

Answer. Yes.

Question. When will you know the answer?

Answer. I think we ought to know in weeks.

Question. What do you recommend I do?

Answer. You will have to use your own judgment.

Mr. President, it is no wonder that many leading business firms, after an initial enthusiastic reaction to the fair and after positively planning participation, came to a negative decision after receiving such official information or at least postponed a decision indefinitely.

Fifteenth. At about the same time a systematic campaign found its way into the press criticizing the organizers of the American fair and quoting unidentified official spokesmen for the Department of Commerce.

Sixteenth. The following is one case, typical of scores of other cases, which could be cited to show the active interference with the fair. I mean interference by our Government.

One of the leading and most respected industrial organizations in the country had reacted very favorably to the idea of the fair, but, as a matter of routine, asked the lower echelon Government official, who was their usual contact, about the fair. His answer was: "Of course you can participate; we know about the fair and the organizers have permission to proceed with it. But, privately, I tell you that you should not participate. Furthermore, I want to state right now that, if there should be an investigation later on, I will deny under oath that I gave you any such private advice." The organization then announced that it had no choice but to decline "until the fair gets straightened out with the State Department."

In some instances it was the Commerce Department instead, but the end result was the same. All this occurred after International Trade Shows had been assured by the Commerce Department in a telegram in reply to a telegram to President Eisenhower, on October 24, 1957, that "at no time, however, have we interfered with or in any way discouraged United States firms from participating in your plans or activities."

Seventeenth. On January 27, 1958, the Department of Commerce wrote, after mutual agreement, a letter to International Trade Shows in which it was stated that the United States Government would have no objection to its proceeding to obtain the approval of the U. S. S. R. Chamber of Commerce to its relinquishing 100,000 square feet—out of its total footage of 250,000 square feet—for United States Government use and that the United States Government was prepared and willing to make an advance payment to the U. S. S. R. Chamber of Commerce in the amount of

$200,000, a sum that was exactly equal to the amount that ITS had to advance to the U. S. S. R. Chamber of Commerce. The only trouble with this very good but belated proposal was that it carried the following impossible limitation:

> You will conclude your foregoing proposed arrangements with the U. S. S. R. Chamber of Commerce within 5 days after your arrival in Moscow or not later than February 10, 1958, whichever is sooner.

The Presidium of the U. S. S. R. Chamber of Commerce could not even be called together in such short a time. Furthermore, on February 6, 1958, on the first day of negotiations in Moscow, the chairman of a Congressional subcommittee was informed by the Department of Commerce that there would be no United States Government participation in the fair.

The same Government which said that an agreement should be concluded within 5 days, states to the chairman of a Congressional subcommittee that there will be no United States participation in the fair.

Eighteenth. By letter of March 22, 1958, the U. S. S. R. Chamber of Commerce stated its consent to United States Government participation in the fair as proposed in the ITS written statement to the U. S. S. R. Chamber of Commerce of February 6, 1958. The Department of Commerce had meanwhile, at the end of February, issued a statement that in the absence of a reply from the U. S. S. R. Chamber of Commerce to the proposal, it was now too late for the United States Government to participate, and that it had to decide reluctantly against participation.

Nineteenth. At the beginning of January 1958, the Director of the Office of International Trade Fairs resigned on January 27, ostensibly under fire for other reasons than his participation in this matter.

Mr. President, it is quite clear to me now that United States Government participation in this fair this year can still be arranged if a special commissioner is appointed to organize, supervise, administer, and control such governmental participation. Such a commissioner must be acceptable to the executive branch, to the Congress, and to the American Fair management, America Abroad Associates, Inc.

I have reason to think that such a commissioner can be found and appointed promptly. If the appointment can be made in April, official Government participation in the fair is technically possible.

Mr. President, the fair is scheduled to open on August 1. To the Soviet public this is the American Fair, regardless of who organizes or sponsors it. An inadequate exhibition would have another adverse propaganda effect against our country.

Some will argue that it is already too late to organize official participation. Many of these same people have always argued that it was too late. Of course, it is later now than it has been hitherto. It may indeed prove impossible to exhibit all of the heavy industrial items which might once have been considered desirable. Perhaps the official exhibit in any case will want to be a lighter exhibit in areas which seem to me proper for governmental participation.

Unfortunately, as I mentioned earlier, most of the appropriated $2,200,000 was transferred last month by the Congress to other purposes, against the originally stated wishes of the Senate which did not want any transfer of the funds for the American Fair in Moscow to other uses. But there is still about $350,000 left which can be used.

It should be used, in my opinion, regardless of whether the full $2,200,000 is restored—as it should be restored.

Mr. President, I respectfully suggest that the official funds should be used for the purpose outlined in point 12 above. These funds should be used to furnish the type of typical American entertainment that cannot be financed by commercial exhibitors but that would make friends among the millions of visitors expected at the fair.

Among the many projects highly desirable but possible only through Government financing, are these:

(a) A display, proposed by an organization, of such American documents as the Declaration of Independence, and the Bill of Rights, in the form of replicas, plus an adjoining Russian translation.

(b) The building, proposed by a Wisconsin newspaper, of a Frank Lloyd Wright prefabricated house, designed by the famous architect. The International Architects' Congress will be held in Moscow this year at the end of July.

(c) An elaborate display "Texas goes to Moscow," proposed by a group in Texas.

(d) A trip by American-Russian-speaking university students—about 90—proposed by the undergraduate student council of Dartmouth College, who would pay their own air transportation to and from Moscow but need their living expenses paid while helping to staff the American Fair.

(e) A typical American ice revue, to be shown several times daily. This would involve about $25,000.

(f) A western rodeo with real cowboys and Indians, to delight the heart of every Russian boy visiting the fair.

(g) A display of American racial equality by the joint appearance of such personalities as Marian Anderson and Marilyn Monroe.

(h) The joint opening of the fair by such personalities as Vice President Nixon and Governor Stevenson.

(i) The organizing of lectures by leading American professors on such subjects as American history, agriculture, law, and so forth. Scores of outstanding professors have offered their participation.

(j) The showing of American movies—a pictorial presentation of America through photo blowups, slide projectors, and so forth.

(k) The financing of a typical American automat—cafeteria to serve the fair visitors. American leading restaurant specialists have offered their full cooperation.

(l) Practical presentations of our governmental system, our social security organization, our farm extension program, 4–H Clubs, our educational system and methods, and so forth.

(m) The health exhibit, originally proposed and developed for the American Fair in Moscow, and lately contemplated but finally rejected for the World Fair in Brussels.

Mr. President, it must be stated most emphatically that it is not too late to undertake any or all of these activities, provided the Commissioner is appointed sometime this month and provided he is granted the necessary authority and funds to carry out his task. The Department of Commerce, on the other hand, is definitely not in a position to take on such an assignment, regardless of the available time. The Department of Commerce can, however, make significant contributions to the American Fair in Moscow without great costs or complications. To cite just one example: Certain American governmental displays at the Poznan, Poland, Fair in June can be easily transferred to Moscow during July. For example, the color television sets, for which Moscow has expressed great interest.

Having consulted frequently with representatives of International Trade Shows and America Abroad Associates, Inc., I am confident that the fair management can and will cooperate to the fullest possible extent with an American commissioner, appointed to take charge of the Government part of the fair.

In conclusion, Mr. President, let me say simply this: The Moscow Fair may become the story of another great opportunity thrown away, unless we move speedily into action. There have been extraordinary sins of omission and commission on this whole matter, and I have only hinted at them. But if we move now, this extraordinary and unique opportunity for our country will be saved and utilized to the fullest possible extent. The people, the ordinary people in the Soviet Union are so hungry for anything American that we must not—dare not—fail them.

Mr. President, I send to the desk a resolution which will express the sense of the Senate that the President should immediately appoint a commissioner to arrange for the official participation of the United States Government in the American Fair to be held in Moscow next August, and to expend for such official participation the funds still remaining and authorized for this purpose.

Mr. President, there is going to be an American fair in Moscow, whether the Government likes it or not. A contract has been entered into, and private exhibitors are going to exhibit. The only question is, What kind of fair is it going to be? It is nothing short of disgraceful and shocking that at the time that a contract is concluded between the U. S. S. R. and a private group in the United States, with apparent governmental approval, our Government should find itself so completely at sea as to what should be done—that we should stand immobile and inactive. If the United States of America is to have an

exhibition in Moscow, I want it to be the best.

I think every American wants to make certain that America's image in Gorki Park, Moscow, U. S. S. R., will be an image that is true to American life, an image that is worthy of our country.

I charge that because of the confusion, because of the delay, and indeed because of the outright obstruction by certain officials in our Government, the United States faces the possibility of having in Moscow an exhibit which may be inadequate, which may be not comprehensive in terms of American life, and which may not measure up to the standards which the American people would like to have exhibited.

This is not the fault of the private exhibitors. They have sought cooperation from the Government, but they have not received it. The private exhibitors, as I have already indicated, were actually told by Government officials that it would be better if private industry did not cooperate. This is inexcusable. The only way I can see for us to rescue ourselves from this sad situation is to have the President appoint a fair commissioner and give him the authority to bring order out of confusion. The commissioner should be permitted to use whatever funds are still available, so that the participation by the United States will be worthy of America's traditions and prestige.

Mr. President, I ask unanimous consent that the resolution which I have submitted be printed at this point in my remarks and be appropriately referred.

The PRESIDING OFFICER. The resolution will be received and appropriately referred; and, without objection, it will be printed in the RECORD.

The resolution (S. Res. 288), submitted by Mr. HUMPHREY, was referred to the Committee on Foreign Relations, as follows:

Resolved, That the President is requested immediately to appoint a commissioner to arrange for the official participation of the United States Government in the American Fair scheduled to be presented in Gorki Park, Moscow, during August 1958, and to expend for such participation such funds heretofore appropriated for such purpose as have not been subsequently authorized to be used for other purposes.

Mr. HUMPHREY. Mr. President, I intend to ask for the prompt consideration of the resolution by the Committee on Foreign Relations. I hope it will be reported favorably to the Senate and then subsequently acted upon rapidly by the Senate.

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

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. It is my understanding—again I speak as a member of the Committee on Appropriations—that the Government will not have an exhibit at the Moscow Fair this summer. I may be incorrect.

Mr. HUMPHREY. I fear you may be correct. I hope you are not. The real question is whether the private exhibit now planned will include the Government of the United States, or will be one which will be strictly a private exhibit.

I am of the opinion, in the light of the delays and the obstructions, which I have documented in the RECORD, that the Government should rapidly make up its mind to participate to the best of its ability, within the limitations of time.

The park has been made available. The contract has been signed. International Trade Shows, a private group, is proceeding with its plans to go to the park and participate in the fair. What we are hoping is that the Government of the United States will share in the undertaking and do what it can to make it a more presentable exhibit.

Mr. SALTONSTALL. As I said to the Senator previously, when he was courteous enough to permit me to interrupt him, his statement, as I understood him when I listened to him in the Committee on Appropriations, was that the situation was not such that the Government could take part in the fair this summer, since the Government had lost control of the exhibit because of a private contract which was made separately, without the knowledge of the Government.

Mr. HUMPHREY. The contract was not made without the knowledge of the Government; in fact, it would have been actually impossible for the contracting parties to have made a contract——

Mr. SALTONSTALL. Without the approval of the Government, let us say.

Mr. HUMPHREY. Without the approval of the Government. The contract actually was approved by the Government, which had full knowledge of all proceedings.

What really happened was that the Government had contemplated engaging in the fair rather extensively with the $2,200,000 which was requested by the President and honored by the Senate. The Senate Committee on Appropriations agreed to the amount and referred the matter to the Senate. The item was adopted by both Houses.

Mr. SALTONSTALL. That is correct.

Mr. HUMPHREY. At the same time that was being done, however, a private group also had signed a contract with the Chamber of Commerce of the U. S. S. R. The question then arose as to whether the Government of the United States could participate in the kind of situation where a private contract had been signed with the Soviet Union and whether the Government should participate in the exhibit.

Mr. SALTONSTALL. And the Government said no.

Mr. HUMPHREY. Our Government said no. The Soviet Union did not say no; neither did the private companies say no. They welcomed the opportunity to participate.

It is traditional for the United States Government to participate in fairs held throughout the world.

Mr. SALTONSTALL. As a member of the Committee on Appropriations, it has always been my understanding that our Government, through its proper agencies in the Department of Commerce, has arranged to participate in such exhibits. Whenever private agencies have taken part, they have done so under the supervision of our Government and have exhibited along with the Government exhibits.

Mr. HUMPHREY. The circumstances have varied on different occasions.

Mr. SALTONSTALL. At the Moscow Fair, any exhibit made by private concerns would not be under the jurisdiction or with the approval, necessarily, of the United States Government.

Mr. HUMPHREY. It could have been. What I am asking for is the appointment of a commissioner by the President, the commissioner to have the coordinating and other necessary authority to manage the official exhibition, and also the funds which are available for what might be called the public type of presentations, to which I alluded in my remarks.

Mr. SALTONSTALL. My understanding was that it is too late to do that this year.

Mr. HUMPHREY. I think that is a matter of judgment. I myself do not think it is.

EXHIBIT 1

PRIVATE UNITED STATES EXHIBIT IN MOSCOW HAS WASHINGTON TALKING TO ITSELF—BUSINESS GROUP WINS TRADE FAIR SPACE—COMMERCE DEPARTMENT CIRCULATES PLATO-LIKE DIALOG IN EXPLANATION

(By Russell Baker)

WASHINGTON, April 14.—Like the philosopher Plato, the Commerce Department has been holding imaginary conversation with itself.

Again like Plato, the meaning of the dialog is not altogether clear. Senator HUBERT H. HUMPHREY, producing a copy today, charged that it was not a philosophic dissertation but part of a plan to torpedo the privately sponsored United States trade fair in Moscow this year.

The Minnesota Democrat, who has been urging the Government to exhibit in the show, contends that bureaucratic disdain for its private auspices, is costing the Nation a chance to dazzle Muscovites in Gorki Park next summer.

The sponsoring group is American Abroad Associates, directed by Gottfried Neuberger. This group beat the administration to the punch in Moscow and received exhibition space in the park before the administration made its bid.

SENATOR CHARGES SULK

Senator HUMPHREY contends that the administration's response has been a prolonged sulk, that it has refused to exhibit under such circumstances and has even tried to discourage businessmen from participating in the fair.

In support of this he has a memorandum, dated October 3, 1957, which was composed by an Assistant Secretary of Commerce and circulated through the Department:

The memorandum outlined the Department's advice to private business in terms of an imaginary conversation between an imaginary businessman and an imaginary bureaucrat. It goes as follows:

"BUSINESSMAN. I just got a call from a fellow named Neuberger who wants me to exhibit at a fair he is running in Moscow. Is he running a fair?

"OFFICIAL. He has a contract with the U. S. S. R. to run a fair.

"Question. Does this have your approval?

"Answer. This is his personal business. We are not involved and are expressing no opinion."

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"Question. Well I don't want to exhibit unless this has Government approval. Are you going to give it your approval?

"Answer. Since this project is a private one the Government is not doing anything either to oppose or support it.

"Question. Well, you have an appropriation to put on a fair. [At that time the Government had an appropriation of $2,200,000 for its own Moscow exhibit.] I don't want to exhibit in two fairs. If you are to put one on, I would rather exhibit in yours. Are you?

"Answer. As of now, we are examining the whole question.

"Question. What's the trouble?

"Answer. One of the problems is that Mr. Neuberger's contract is for a fair on the premises we planned to use.

"Question. Does that mean you are not going to put on a fair?

"Answer. No, it merely creates a problem that has to be worked out.

"Question. Are you working on it?

"Answer. Yes.

"Question. When will you know the answer?

"Answer. I think we ought to know in weeks.

"Question. What do you recommend I do?

"Answer. You will have to use your own judgment."

WET BLANKET MOVE DENIED

Senator HUMPHREY maintains that this sort of "official" information was calculated to dampen business enthusiasm for exhibiting in the Neuburger show.

A Commerce Department spokesman contended, however, that the text of the question and answer contradicted the assumption that the department was out to give Mr. Neuburger a difficult time.

The author of the dialog was Henry Kearns, Assistant Secretary for International Affairs. It was composed after Mr. Kearns and Mr. Neuburger had failed to reach agreement on terms for a cooperative undertaking in Moscow.

Mr. Neuburger had announced that he intended to go ahead in search of exhibitors and the Department anticipated questions from business. The dialog was circulated in field offices as a guide in answering queries.

A copy of the memorandum was sent to Mr. Neuberger also, a Department spokesman said.

The dialog literary device, he added, is used regularly by the Commerce Department to advise its staff about official positions.

SOVIET SPLURGES AT BRUSSELS

BRUSSELS, Belgium, April 14.—The Russians today fired the first shot in the big world's fair propaganda battle by unveiling their life-size sputnik. They gave Belgium's Prime Minister Achille van Acker, and cabinet ministers a preview of their sprawling exhibit, which threatens to swamp the American show by its size and the amount of money lavished on it.

THE GROWING RECESSION

Mr. HUMPHREY. Mr. President, during our Easter recess period the economic news showed that the economic situation is steadily becoming worse. The spring upturn, which the administration has spoken about so long and so often, has not materalized.

In terms of human suffering, the most important figures are those on unemployment. The total number of unemployed workers is at the highest level since before World War II, and the lists of the unemployed are still growing. As of mid-March, unemployment was estimated at 5.2 million—a rise of 25,000 from mid-February, whereas, normally, there should have been a decline of around 250,000 in unemployment. Even more disturbing is the fact that since mid-March, unemployment has been growing, especially in the vital area of durable-goods manufacturing.

The seriousness of the unemployment situation is shown in a roundup of unemployment insurance claims by major cities, as reported in the New York Times of April 10, in an article by A. H. Raskin.

I ask unanimous consent, Mr. President, 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:

UNEMPLOYMENT CLAIMS UP—ONE IN SIX JOBLESS IN DETROIT

(By A. H. Raskin)

Unemployment insurance claims rose in major industrial cities last week. The biggest increase was recorded in Detroit, already the production center hardest hit by the recession. The figures indicated a continued rise in the number of jobless workers since the mid-March total of 5,198,000 reported by the Census Bureau Tuesday.

In New York and most other large cities the increase was relatively slight. But the full extent of idleness was masked by the disappearance from the insurance lists of thousands of workers who had been jobless so long that they had exhausted their benefit rights.

A special survey by the Michigan Employment Security Commission showed that the situation had become sharply worse in Detroit and the rest of the State in the second half of March. The commission's analysis indicated that 1 Detroit worker in 6 was idle and that the ratio was almost as high for all Michigan, heartland of the automobile industry.

TWO HUNDRED AND SIXTY-FIVE THOUSAND JOBLESS IN DETROIT

The commission reported that 265,000 in the Detroit metropolitan area were unemployed as of April 1. This was 17.4 percent of the area's labor force and represented a rise of 17,000 over the State agency's revised estimate for March 15.

The commission had originally reported the mid-March idleness at 230,000, but it raised this figure to 248,000 on the basis of later information. Officials expressed the opinion that the April 1 estimate also would prove conservative.

For all Michigan, unemployment at the beginning of this month was put at 450,000, or 15.5 percent of the labor force. This was up 35,000 from mid-March.

Claims for unemployment insurance bore out the estimate of a fresh downturn in the motor center. The number of workers applying for benefits in metropolitan Detroit in the week ended last Thursday rose 7 percent to a total of 199,892. This was 312 percent above the figure for the same week last year.

HIGHEST IN 20 YEARS

For Michigan the claim total of 346,847 was the highest in the 20 years since the State began paying benefits. The figure for last week was 7.5 percent higher than it had been a week earlier and 226 percent above claims a year ago.

Officials saw few cheery signs for the weeks ahead. Automobile inventories in the hands of dealers were at a 61-day level at the start of April, the second highest reserve in the industry's history.

Total passenger car production for the year is not expected to exceed 4,730,000, as against 6,115,448 last year and 7,942,132 in 1955, the peak year.

No signs of the usual spring pickup in employment were reflected in job insurance reports from other parts of the country. In several large cities initial claims showed a sharper rise than continued claims from those already out of work. Initial claims are the most sensitive barometer of new layoffs.

This was especially true in New York, where the number of workers on insurance rolls went up 3,435 to a total of 233,918. Included in the total were 42,710 new applications, a rise of 4,360 from the preceding week. A tapering off in spring garment production was a major factor in the fresh unemployment here.

Upstate the insurance total went down from 214,130 to 213,825, but the volume of initial claims went up by 4,185.

The statewide insurance figure of 447,743 was 103 percent above the level of a year ago.

The roster of workers who had used up their benefit rights grew by 2,597, bringing the total since the beginning of the year to 30,458.

A meteoric upsurge in claims was reported in Philadelphia, but officials said technical factors were more responsible for the rise than any sudden onset of unemployment.

Continued claims for last week totaled 100,065, a jump of 11.9 percent. An influx of claims that would normally have been filed on Good Friday and the opening of a new benefit quarter were cited as reasons for the rise.

PITTSBURGH INCREASE IS 3,080

Pittsburgh, capital of the steel industry, had an increase of 3,080 workers on the insurance rolls. This brought the claims total for last week to 88,655, or nearly triple the figure a year ago.

Los Angeles unemployment went up 3.2 percent, raising the insurance figure to 134,056. San Francisco showed a 1.2-percent rise to 51,039, and Chicago was up 1 percent to 112,768. The figure for Boston rose only 162, to a total of 16,576.

Mr. HUMPHREY. Mr. President, the tragedy of unemployment cannot be measured simply by cold statistics. What it means to be without a job and not be able to meet the bills due and to feed the children is described in a moving article written by Joseph Alsop, in which he reports on his recent visit to Detroit, where 1 out of 6 workers is without a job. I ask unanimous consent that this article from the Washington Post of April 14 be printed at this point in the RECORD.

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

MATTER OF FACT

(By Joseph Alsop)

"ONLY 11 WEEKS TO GO"

DETROIT.—Here, in this great capital of the limping motor industry, the Eisenhower administration's wait-and-see approach to the depression does not look very sensible.

If you want to be convinced, just drop in at UAW Local No. 3, across from the big dingy old Dodge motor plant in Hamtramck. Then spend a day or so ringing the doorbells of the endless rows of little 1- and 2-family

houses inhabited by Dodge and other Chrysler Co. employees in Hamtramck and East Detroit. What you see in them is the cruel letdown of a vast army of industrial workers by the system they have been taught to trust implicitly.

The morning I went there, Pat Quinn, the president of the Dodge local, was leading a protest march of jobless autoworkers to the State capital in Lansing. So all activity temporarily centered in the small office of Big Pete Telisky, the local's tall, sallow-faced, hot-tempered vice president.

I had hardly introduced myself when Richard, a still-young man who had been working for Dodge for 10 years as a crane and elevator-hoist operator, rather hesitantly entered to ask Big Pete if he knew "anywhere they were hirin.'" Big Pete said bitterly: "Boy, you can't buy a job in this damn town." Richard nodded disconsolately, as though this were the answer he expected.

It was a rough answer for him, all the same. His father, who worked for Dodge for a quarter century, had bought a house on time just before he died 5 years ago. In those days, both father and son were working, so the payments of $75 a month had been easy to carry. Richard had managed pretty well alone, too, when he was bringing home $80 a week. The car, the furniture, the washer and dryer and television were all paid for, and he had kept his mother and younger brother fairly comfortable.

But now the little family's whole income was down to $42 a week of unemployment benefits. Those house payments took nearly half. Richard had "tried everything, even janitor." So had his 17-year-old brother, "but they ain't even hirin' boys in stores." And worst of all, "we only got another 11 weeks of benefits to go, and after that there'll be nothing but the welfare."

Richard was followed by sturdy old Charles, 15 years a torch welder, who "done all the show jobs for the company except 1 year." After Charles came Herman, the slow-spoken southerner, who was threatened with repossession of his car. The procession went on all morning, and all the men who came had the same essential problem.

All suddenly had their income cut in half, after 9 or 10 or 11 years of steady work on the same job. Like most of Detroit's other tens of thousands of jobless auto workers, all were now between 9 and 13 weeks away from the end of their unemployment benefits, when there would be no income at all. All had time payments to make, which they could hardly carry even now. Richard, indeed, was the luckiest, for no other man I saw had paid for everything except his house. The Detroit Welfare Department will at least try to help Richard keep his house, by offering the mortgage-holder the money allowed for relief recipients' rent.

Ringing doorbells along the gray streets, the story was again the same. Only here, it was grimmer and more poignant, for one actually saw the furniture and the washers and the cars and the homes that were in danger. One saw the children "who drink water now," and the harassed wives who "didn't know how they could manage much longer," and the men who seemed unable to overcome their surprise at being at home on a working day.

As time went on, one became obsessed by the thought of "the end of the 26 weeks" (of benefits), which all these people spoke of with a sort of defeated dread.

Maybe Congress will pass the bill adding another 13 weeks to the 26. Maybe automotive employment will pick up again when the time for the new models comes in September. But even so, half the things these people have gained will be lost in the interval, because "we just can't meet the payments and feed the kids."

Then, if there are no jobs to be had when the benefit period ends, the whole pattern of life of all these people will simply fall into squalid ruin. And they stand, remember, for many hundreds of thousands of jobless industrial workers in scores of other cities besides Detroit.

Mr. HUMPHREY. Mr. President, the latest Government figures show that, in March, retail sales fell another 1 percent; total personal income declined by an annual rate of $300 million; and wages and salaries dropped by an annual rate of $1.1 billion. It is also reported that initial claims for unemployment insurance in the week ended April 5 totaled 501,800—a rise of 79,000 from the week before.

I ask unanimous consent, Mr. President, that these statistics, as reported in an article published in the New York Times of April 12, be printed at this point in the RECORD.

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

ECONOMY'S TREND CONTINUES DOWN, BUT PACE SLOWS—RETAIL SALES AND INCOME FELL OFF SLIGHTLY DURING MARCH, UNITED STATES FIGURES INDICATE—JOBLESS TOTAL STEADY—INITIAL CLAIMS FOR BENEFITS RISE—500,000 UNEMPLOYED HAVE EXHAUSTED RIGHTS

(By Richard E. Mooney)

WASHINGTON, April 11.—Three statistical reports showed today further declines in economic activity in March and early April.

Retail sales declined by 1 percent in March as they had in January. February's decline was larger.

Wages and salaries declined again in March, but less than in January or February. The March decline was almost entirely offset by rising unemployment benefits and social-security payments and higher farm income.

The Commerce Department characterized the overall total of personal income as "virtually unchanged" in March, from February.

JOBLESS CLAIMS RISE

Initial claims for unemployment insurance rose sharply in the week ended April 5. Part of the increase reflected further layoffs, but a large part was attributed to the mechanics of the insurance system.

The number of persons actually collecting unemployment insurance in the week ended March 29 was 3,276,500. This was 7.9 percent of the insured labor force—the same rate, a record, at which it has held virtually steady for the last several weeks. The latest week's figure was 2,400 smaller than the previous week.

A reason insured unemployment did not increase was that many of the unemployed have exhausted their insurance rights.

The Labor Department's Bureau of Employment Security estimated today that there were 189,200 exhaustions in March, making a total of 481,000 since January 1. It is assumed that exhaustions are still climbing at the same rate or faster, and have pushed over the 500,000 mark by now.

SALES OF DURABLE GOODS DIP

The Commerce Department's preliminary report on retail sales in March, adjusted for such seasonal factors as the pre-Easter rush, showed a volume of $15,928 million—approximately $200 million less than in February.

There was a 2 percent decline in sales by stores that deal in durable goods, mostly because of falling auto sales. Nondurable goods, which account for two-thirds of the total, showed mixed trends, including an increase in sales by department stores, the report said.

Retail sales, seasonally adjusted, declined by $600 million in February and $200 million in January, and rose by $300 million in December.

Total personal income in March was at an annual rate of $341,400 million, according to another Commerce Department report. This was $300 million below the February rate—a very small change when related to the total. The February decline was almost $2 billion.

The annual rate of wages and salaries declined by $1,100 million to a March estimate of $233,300 million. The Department said it occurred particularly in durable goods industries, but there were also reductions in retail trade, transportation, and mining.

The rate of payments for unemployment insurance and social security followed customary recession trends and rose by $600 million, to an annual rate of $24,100 million.

The report noted also that 1956 amendments to the Social Security Act took effect last month and provided old age benefits to certain self-employed farmworkers and professionals for the first time.

FARM INCOME HIGHER

Farm income rose by $300 million to an annual rate of $16,800 million, reflecting higher farm prices, the Department said.

There was no change in the total of interest and dividend payments, and a slight gain in the income of proprietors and landlords.

Initial claims for unemployment insurance last week totaled 501,800—a 79,000 jump from the week before. Thirty-six States reported increases, led by Michigan with its auto industry layoffs.

The special factor in this increase was that last week was the first time that unemployed workers could make claim for benefits based on their employment in the first quarter of this year. Thus, the first report in April last year showed an increase of 48,000 and in the same week of 1956 an increase of 70,000.

The report did not say how much of the increase was attributable to this factor, it did say that auto layoffs were an important factor.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that the New York Times Index of Business Activity, which shows a decline, in the week ended April 5, to 180.0, as compared to 184.6 in the preceding week, be printed at this point in the RECORD, along with Economic Indicators, both from the New York Times of April 13.

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

BUSINESS INDEX DOWN 4.6 TO 180.0

The New York Times Index of Business Activity in the week ended April 5 fell to 180.0 from 184.6 in the preceding week. The figure for the week ended April 6, 1957, was 205.6.

The table below gives the combined index with its components, each of which is adjusted for long-term trends:

	Weeks ended—		
	Apr. 5, 1958	Mar. 29, 1958	Apr. 6, 1957
Combined index	180.0	184.6	205.6
Miscellaneous carloadings	93.8	95.9	116.3
Other carloadings	61.9	67.2	77.8
Steel production	96.3	100.3	174.5
Electric power production	271.0	280.2	294.9
Paperboard production	277.2	266.0	280.9
Lumber production	96.9	103.1	107.6

Economic indicators, week ended Apr. 12, 1958

	Last week	Prior week	1957
Commodity index	84.5	84.7	89.1
Money in circulation	$30,744,000,000	$30,636,000,000	$30,655,000,000
Commercial, individual, agricultural loans	$30,842,000,000	$31,026,000,000	$31,322,000,000
Steel operating rate (percent)	[1] 48.4	48.6	90.3
Steel production (tons)	1,306,000	1,312,000	2,310,000
Motor vehicle production	101,032	81,206	148,955
Daily oil production (barrels)	6,250,135	6,264,135	7,613,615
Freight car loadings	516,225	532,172	644,092
Electric power output (kilowatt-hours)	11,326,000,000	11,645,000,000	11,693,000,000
Business failures	352	327	231

[1] Estimated.

NOTE.—Statistics for commercial-industrial-agricultural loans, steel, oil, electric power and business failures are for the preceding week and latest available.

Monthly comparisons

	March [1]	Prior month	1957
Employed	62,311,000	61,988,000	63,865,000
Unemployed	5,198,000	5,173,000	2,882,000
	February [1]	**Prior month**	**1957**
Consumers' price index	122.5	122.3	118.7
Industrial production	130	133	146
Personal income	$341,800,000,000	$343,600,000,000	$336,600,000,000
Exports	$1,344,900,000	$1,510,900,000	$1,611,000,000
Construction contracts	$1,953,422,000	$2,066,059,000	$2,161,009,000
Manufacturers inventories	$52,500,000,000	$52,900,000,000	$52,900,000,000
Money supply	$132,900,000,000	$132,100,000,000	$134,500,000,000
	January [1]	**Prior month**	**1957**
Imports	$1,095,300,000	$1,216,000,000	$1,058,600,000

[1] Figures shown are subject to revision by source.

NOTE.—Commodity index and consumers' 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.

Mr. HUMPHREY. Mr. President, only a short time ago the Senator from Wisconsin had printed in the CONGRESSIONAL RECORD, the story of the sad, pathetic, and tragic situation of the American economy. Today, I know of very few, if any, responsible persons who do not know that the country is in serious trouble.

Mr. President, there is no need to burden the RECORD by having one newspaper clipping after another published in it. But when the New York Times publishes today, April 15, an article entitled "United States in Worst Postwar Dip as March Output Declines," and also publishes, in its Sunday issue, an article entitled "Recession Data Adds to Uneasiness Despite Optimism of Administration," and when we read in the Washington Post of April 14 the article entitled "Fundamental Maladjustments Still Uncorrected," and when, alongside that article we also find an article entitled "Steel Production Slips to 48 Percent of Capacity," we realize the problems the American economy still faces.

Imagine, Mr. President. The country's great steel mills are operating at only 48 percent of capacity, but still the administration does not know that a recession is in progress.

I believe that perhaps we should send to the President an official notice, to alert him to the fact that in this country something is going on which economically is not good.

Mr. President, I ask unanimous consent that the articles to which I have referred be printed at this point in the RECORD, in connection with my remarks.

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

[From the New York Times of April 15, 1958]

UNITED STATES IN WORST POSTWAR DIP AS MARCH OUTPUT DECLINES

(By Edwin L. Dale, Jr.)

WASHINGTON, April 14.—The 1957–58 recession qualified today as the deepest of the three postwar slumps. As reflected in the index of industrial production, the decline reached 11.7 percent in March, the Federal Reserve Board reported.

In neither of the other two slumps did the drop in this major indicator exceed 10.5 percent from peak to trough.

The board's report came as Congress reconvened after a 10-day recess, with the business slump remaining as 1 of the top 2 or 3 issues.

Today's report put industrial production for March, seasonally adjusted, at 128, with the average of 1947–49 as 100.

WAS 145 IN AUGUST 1957

When the recession began last August the index was 145. The high point was 147 in December of 1956. The decline from that point has been 13 percent.

The March figure was 2 points below February's—a slightly smaller drop than the average monthly decline of 3 points from October through February.

But the 2-point dip brought output down to the lowest point since November 1954, when the economy was just beginning to pull out of the 1953–54 recession.

(In Detroit it was reported that automobile companies had cut back their planned production for the second quarter by 99,000 units.)

In another report, the Labor Department said today that housing starts in March, though higher than February in line with normal seasonal expectations, remained at a rate lower than at any time since early 1949.

Starts totaled 79,000 in March. The key figure was the seasonally adjusted annual rate of private starts—880,000 in March, or about the same as the depressed level of 890,000 in February.

However, there were several straws in the wind pointing to an upturn in housing starts later in the year. The rate of applications for Government mortgage insurance or guaranty has picked up markedly in the last 3 months.

For example, the annual rate of applications for Federal Housing Administration insurance has been running about 260,000, compared with only 150,000 actual starts last year.

The number of Government-backed housing starts tends to determine the total, because conventionally financed starts fluctuate only slightly.

Today the United States Savings and Loan League reported that mortgage lending by savings and loan associations—a good indicator of the total of conventional financing—had increased a little in the first 3 months of this year over the like period of last year.

WOULD PUSH TOTAL UP

Thus the prospective upward movement of Government-backed starts, which should result soon from the higher pace of applications, is expected to bring a higher total.

Also, the Air Force announced today it had scheduled 56,820 units of family housing under the military housing program. Of these, however, 4,576 have already been completed and 16,339 are under construction.

The announcement said the 35,905 others "will be scheduled as rapidly as financing details are completed."

In another development today, the administration expressed its opposition to an anti-recession bill. This would add $112 million to the Federal share of airport construction by local governments in fiscal year 1959, beginning July 1.

BACKING IS REPORTED

The legislation is sponsored by Senator A. S. MIKE MONRONEY, Democrat, of Oklahoma, and is understood to have the backing of party leaders.

Louis S. Rothschild, Under Secretary of Commerce for Transportation, opposed the legislation, saying "It is time for the Federal Government to be able to look to curtailment of its contributions to airport development and improvement, rather than expansion of its spending in that area."

Mr. Rothschild argued that tremendous expenditures would be required in the coming years for improvement of navigation and communications systems.

He opposed not only the extra $112 million for fiscal 1959 but also the provisions in the bill calling for $100 million a year for the following 3 years.

Today's report on industrial production showed declines in March in steel, nonferrous metals, crude oil, machinery, and automobiles.

The output of other consumer durable goods was unchanged at sharply reduced levels and there were minor dips in chemicals, paper, and printing.

The Reserve Board's summary of March developments noted declines in industrial production, employment, incomes, and retail sales. But it said these declines were not so large as in the previous month.

It said construction "was maintained at advanced levels." Wholesale prices outside of the farm sector "continued to change little," the report said, and farm and food prices "leveled off after rising sharply in February and early March."

[From the New York Times of April 13, 1958]

RECESSION DATA ADD TO UNEASINESS DESPITE OPTIMISM OF ADMINISTRATION

Though President Eisenhower and other administration officials were still hewing to a guardedly optimistic line about the economy last week, there was unabated queasiness in labor, political and some industrial circles.

Some solace was gained from the March figures that showed unemployment virtually unchanged from February's level, while employment increased moderately. But many observers were cautioning that the changes were too minor to be significant, and that early reports indicated the unemployment situation had worsened since the compilation of the March data.

The continued absence of convincing evidence of any imminent upturn in business was reflected in another listless performance by the stock market. Activity remained highly selective and prices sustained further, though moderate, erosion.

INDEX OFF 0.52

The market, as measured by the New York Times combined average of 50 stocks, declined 0.52 point to 267.81. It touched a new low for the year—265.21 on Thursday—but recovered slightly on Friday in quiet and narrow trading.

Meanwhile, there was little optimism in financial circles that any marked upturn would occur soon in general business spending, steel and automotive output and railroad traffic. And Wall Street was bracing for a flood of bad first-quarter earnings reports and dividend actions. These are expected to reach high tide in the next few weeks.

The recession has caught up with even the world's largest corporation, American Telephone & Telegraph Co. The utility's first-quarter report showed installation of only 450,000 telephones, against 775,000 in the first quarter of last year. Officials said the company's $2 billion construction program is being closely watched, with some projects being deferred.

MORE GLOOMY DATA

Other adverse economic news last week included:

Unemployment insurance claims rose in major industrial cities in the first week of April, indicating a further rise in the number of jobless since the mid-March total of 5,198,000.

Steel production continued around 48 percent of capacity.

Other metals failed to show any real signs of revived strength. Custom smelters trimmed refined copper a half cent to 23½ cents a pound after a promising late-March rally in demand fizzled.

The administration is apparently anxious now to soft-pedal the need for tax cuts. President Eisenhower asserted that business conditions were not critical enough now to warrant tax slashes or other emergency measures. Instead, he urged the public to buy more, but to be selective in their purchases.

SLOW SIGNAL UP

Secretary of the Treasury Robert B. Anderson also raised a red flag against tax relief of a competitive or hasty nature. He urged the public to buy more, too, but his call was for more purchases of savings bonds as one means of stimulating tomorrow's economy.

Whether a general tax cut is advisable now or whether it would actually stimulate the economy substantially enough to offset the loss of revenues it would cause is a matter of conjecture. But there is considerable weight of opinion in business and other circles that at least some sort of tax reform is necessary to stimulate business spending more than consumer spending.

Doubtless this whole subject of tax relief will have considerable airing this week when a Congressional committee opens hearings on the country's economic condition. If the hearings do nothing else, they will keep alive the need for at least not dismissing tax relief as a recession antidote.

T. E. M.

[From the Washington Post and Times Herald of April 14, 1958]

FUNDAMENTAL MALADJUSTMENTS STILL UNCORRECTED

(By Harold B. Dorsey)

As indicated in this space last week, interest in the formation of the right bank of the current recession valley, its timing, and its amplitude has reached persistent front-page proportions.

Discussions of the subject by amateur and professional business analysts can scarcely be worthy of consideration unless there is evidence of a thorough understanding of the maladjustments that the recession is in the process of correcting.

Public attention probably is focused most sharply on unemployment, but unemployment is the result of slackening demand for goods and services. We cannot hope to evolve a satisfactory solution for unemployment unless we have a clear comprehension of the reasons why demand went into a slump.

With the FRB index of industrial production ranging between 144 and 147 for the 12 months ending with last September, and with the labor force occupied at a very high rate during that period, the physical and human capacities of the economy were being utilized so completely that an inflationary wage-price spiral was being nourished, and rising interest rates were giving clear warning that the economy's loss of financial liquidity was reaching serious proportions.

In retrospect, it is now easy to recognize the excesses that were an integral part of the peak rate of activity a year or so ago. There was plenty of argument about the matter then, but it is now quite evident that the earlier activity included excessive expansion of the facilities for production and distribution. It included a rate of demand for goods and services that could only be accomplished by a rate of debt expansion that was excessive in relation to current earning power. And after a long trend of deteriorating financial liquidity, which had prevailed rather generally throughout the entire postwar period, the excessive demands for credit collided with the fact that this loss of liquidity had finally reached a state of deterioration beyond which it would be hazardous to go.

In brief then, the lefthand bank of the current recession valley was really higher than it should have been, even after allowing for long-term growth trends of population and standard of living improvement. This is not hindsight; the condition was emphasized in these columns ad nauseam throughout that earlier period.

With that background clearly in mind, the sequence of interesting causes and effects that has been taking place in recent months becomes more meaningful in the current discussions about the business outlook. The increasing use of credit a year ago in the face of deteriorating financial liquidity was one of the causes of the slackening demand which we now call recession. Now, the slackening demand for goods and services is reducing the need for credit and is causing a major change in credit markets.

The cause and effect sequences are emphasized here with the hope that this will promote an understanding of the fact that business prospects will be influenced strongly by the status of the blend of the cause and effect forces at any given time.

The money and credit factor, as a vital ingredient of this blend, is no longer retarding business activity. Rather, there are plenty of evidences of an increasing availability of credit in relation to the demand therefor. Mortgage credit is easing visibly and short-term bank credit is in abundant supply. The business analyst will recognize the significance of the fact that the position of this particular economic force has changed from a brake on business activity to a potential accelerating position within a comparatively short period of about 9 months.

But the reversal in the direction of this particular force does not of itself assure the immediate resumption of a high level of employment and a high level of business activity. The new availability of credit is only one of several ingredients needed for recovery.

Investment people realize that an expansion of bank credit at this particular phase of the business cycle makes funds available first to security markets, and only after a time lag will the enlarged supply of funds stimulate business activity. The time lag is necessary because more time is needed for the correction of maladjustments in the nonmonetary sectors of the economy.

In the current instance, the business analyst cannot feel very sure about the location of the turning point in the recession when significant, but unpredictable, decisions are yet to be made in respect to price and wage policies. It is completely clear that the current slump is the result of policies which priced goods and services (including the services of workers) out of the market. We have seen unit production drop about 12 percent in 8 months, but we still do not know what is going to happen to the wage-price situation. If we could not continue to move production at the 1945 FRB index level into consumption at the price levels of last autumn, by what line of logic can we hope to move goods into consumption in satisfactory volume at the current higher price level, especially when there is an immediate threat of even higher labor costs.

The point is that a reasonably satisfactory correction of fundamental maladjustments in the nonmonetary sectors has not been achieved. Hence, predictions that the recession will bottom out in the current quarterly period, or at any other specific date, would seem to be lacking proper foundation until some of these questions are answered—in spite of the fact that the money and credit ingredient in the current blend of economic forces is no longer acting as a retarding factor.

[From the Washington Post and Times Herald of April 14, 1958]

STEEL PRODUCTION SLIPS TO 48 PERCENT OF CAPACITY

CLEVELAND, April 13.—For the second straight week steel production hit a new recession low last week, declining a half point to 48 percent of capacity, Steel magazine reported today.

Modest upturns are probable in late April and early May from last week's output of 1,294,000 net tons of steel for ingots and castings, the weekly metalworking journal said.

Because steel production for the year to date has averaged only about half of capacity, there is less talk of a price increase when the United Steelworkers get their July 1 wage boost. Such talk was common in the industry early this year.

The downward price movement in aluminum also discourages a price increase in steel, the magazine reported. But any steel

price cuts appear unlikely. Steel quoted a stainless steel sales manager as saying:

"Aluminum sheets were 10 cents a pound cheaper than stainless in 1954, and the gap has since increased. Why should we worry about additional costs? We don't cut prices just to maintain our market share."

However, Steel said, the 2-cents-a-pound reduction in aluminum "makes it doubtful steelmakers in general will try to pass along all additional costs they'll incur on July 1 when higher wages go into effect."

Warehouses are loaded with steel and the demand of major consumers continues soft, with automotive buying almost nil, Steel said. Construction has not taken up the slack.

Steel's price composite on prime steelmaking scrap slipped another 16 cents last week to $34.17 a gross ton.

The slowness of new orders also has prompted steelmakers to ship farther and pay more shipping costs in their quest of new markets, the magazine said.

THE WARNING AGAINST TAX CUTS

Mr. WILEY. Mr. President, my own personal feeling in relation to much of the discussion we have had in relation to a tax cut is pretty well summarized by what the President has said—that we should have a better understanding of the inflation threat.

I myself am satisfied, from letters I have received from citizens of my home State, that they are beginning to realize that economic ills cannot be cured by mere legislation. Of course, we know what Bernard M. Baruch has said about cutting taxes.

I have in my hand a clipping from the Washington Star entitled "The Warning Against Tax Cuts," written by David Lawrence. I think it clearly indicates that businessmen are now more fully aware of the excesses which brought about the recession. The recession we are now suffering is in many respects due to what has been characterized as excesses in overproduction of many articles. Now, on top of that, we have engendered fears which have caused some persons not to buy when they should. Fewer, however, are wringing their hands and asking Washington for help than in the past.

In my own State we have set up organizations designed to provide self-help in the communities.

Mr. President, I ask unanimous consent that the article written by David Lawrence be printed following my remarks.

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

THE WARNING AGAINST TAX CUTS—BERNARD BARUCH SEES PRICE AND WAGE RESTRAINTS AS URGENT NEED NOW

(By David Lawrence)

Bernard M. Baruch, elder statesman, has no ax to grind. He is retired from any business activity and devotes himself to philanthropic and public-service interests. What he says, therefore, out of an abundance of experience with the ups and downs of the national economy, can be listened to with confidence by all groups—labor, management, and political parties.

And B. M., as he is familiarly known here, tells the Senate Finance Committee at its hearings that the danger of inflation is greater than the dangers of the present recession. He deplores the pressure of every economic group for advantages for itself and argues against tax cuts, even hinting that some tax increase might be necessary.

"Each group," he says, "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 a depression * * *.

"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? * * *

"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."

But Mr. Baruch's main fire is directed against the wage-price spiral. He says:

"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."

There is in the Baruch statement a hint about the alternative—namely, wage and price control—as he declares:

"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."

More and more there is talk in Washington about the failure to restrain the labor monopolies which are virtually fixing higher and higher prices. The labor monopoly in the auto industry, for example, is about to increase the costs of automobiles.

Which would the Nation prefer—economic anarchy as at present, with its dangerous declines and the accumulating of huge deficits in the Treasury as pump priming measures are voted by Congress, or some form of economic restraint such as wage and price control? If the Congress voted for a 1-year wage and price control law it could halt the trend toward inflation at least long enough to permit the national economy to gain strength. But if nothing is to be done to restrain organized greed—and particularly the politically minded union leaders who feel they cannot hold their offices unless they win increases in wages—then the present recession will indeed deepen into a real depression and the end result could be wage and price control anyhow.

So the alternatives which Elder Statesman Baruch now presents are unmistakably clear in their warning of the disaster that lies ahead unless the right measures of restraint are applied now.

Few men in Congress, for political reasons, would dare to come out in favor of the advice just given them, but an informed public opinion some day will have to demand what nobody really likes—namely, wage and price controls.

Unless Congress, which is eager to fight administered prices by industry, is as ready to do battle against industrywide bargaining by national unions which set the wage costs and indirectly the prices of the major products in America today, the national economy will hardly wind up the current recession before it runs into an inflationary crisis and crash that may be much worse than anything yet experienced.

AWARD OF DEPARTMENT OF DEFENSE CONTRACTS TO LABOR-SURPLUS AREAS

Mr. POTTER. Mr. President, I should like to call the attention of this body to a recent report of the Department of Defense which covers the award of contracts to labor-surplus areas. The report covers the last 6 months of 1957, and summarizes the operation of the so-called preference policy. I should also like to call attention to an excellent article analyzing the report. The article was written by Mr. J. F. Ter Horst, and was published in the Detroit News for April 13.

It seems apparent that the preference policy in awarding contracts to labor-surplus areas has been ineffective. Out of the masive sum of $6.05 billion awarded in that period, the 88 distressed communities shared only $157.3 million in competitive contracts. Less than $1 million in defense work went to the Nation's 88 labor-surplus areas in the last half of 1957. None of the preferential contracts went into Michigan, which has been on the depressed list far longer than most of the other States.

Mr. President, about a month ago I joined with nine other Members of this body in requesting the Secretary of Defense, Mr. Neil McElroy, and the General Services Administrator, Mr. Franklin Floete, to lend assistance to the Nation's depressed areas by operating a set-aside program for needy sections of our economy.

Under the set-aside mechanism, Federal contracts would be divided into two parts. One-half of the contracts would be awarded to the lowest bidders, regardless of location; and the remainder would be set aside for firms in labor-surplus areas. Once the low bid was secured, the firms in depressed areas would be given an opportunity to match it. This plan has two advantages:

First, the Government would get the work done at no additional cost to the taxpayers. At the same time, firms in labor-surplus areas would get a real "assist" in obtaining new business. The net result should be more job openings.

We received prompt replies from Messrs. McElroy and Floete, who promised their fullest cooperation. The Defense Department went even farther, and indicated that in some cases more than half of the total procurement would be set aside for depressed areas.

Mr. President, it was a shock to me to learn from the published story that depressed areas, even though backed by a Government policy which gives them

preference, had received next to none of the much-needed work. Now that the set-aside program has been officially endorsed by the Defense Department and GSA, there should be no question at all of directing work—and directing it fast—into labor-surplus areas.

I am certain that procurement officials in the departments are aware that the Senators who support this very practical means of assisting needy areas are doing so in all seriousness. We shall scrutinize future Defense Department reports, to make sure that the set-aside program is operating effectively.

In the meantime, I should like to propose to the Senators who joined with me in this much-needed proposal that we arrange a meeting with the Secretary of Defense and his procurement officials, for a detailed briefing on the workings of the set-aside program, so that we may obtain an accurate view of what our depressed areas can expect from its operation. I offer the facilities of my office for such a conference.

Mr. President, I ask unanimous consent that the article to which I have referred, as published in the Detroit News of April 13, be printed at this point in the RECORD.

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

STATE BYPASSED ON DEFENSE JOBS

(By J. F. Ter Horst)

WASHINGTON, April 12.—A sixth-month report by the Defense Department disclosed today that the Nation's 88 labor surplus areas got less than $1 million in defense work under the so-called preference policy for aiding distressed communities.

During the same period, the Department placed contracts for military procurement and construction totaling almost $6.05 billion.

NONE TO MOVE

Of 3 contracts totaling $927,260 and awarded on a preferential basis, none went to Detroit or to 8 other Michigan cities on the critical list.

On top of this, the Defense Department froze millions of dollars in funds appropriated by Congress for defense purchases during the period. In 1 category alone—combat and support vehicles, supplied by the auto and truck industry—86.5 percent of the funds, amounting to $332 million, were held back until after the beginning of 1958.

IKE GETS SUMMARY

The contract data, covering the last half of 1957, is contained in a report by Perkins McGuire, Assistant Defense Secretary, and in a summary given President Eisenhower by Defense Secretary McElroy.

A top Defense Department spokesman called the McGuire report bleak, but said it doesn't mean the administration is ignoring long-standing demands of Congress that procurement contracts be set aside to help labor surplus areas recover from the economic squeeze.

On the contrary, he said, the Department last month initiated a new look at the situation in order to assign more defense work to the recession-hit communities.

OPTIMISTIC VIEW

"We are going over the contracts more carefully now," he said. "The next report won't look as bleak as the last one."

Although Michigan's cities have been on the distressed list at least since last July—and some cities in the country as long as 6 years—the defense spokesmen said the new emphasis on preferential awarding did not begin until mid-March because employment did not "really hit the fan" until then.

Michigan's nine labor surplus areas are Bay City, Detroit, Flint, Grand Rapids, Iron Mountain, Jackson, Monroe, Muskegon, and Port Huron.

From July 1 through December 31, 1957, no Army, Navy, or Air Force contracts were awarded in any of these cities under the preference policy for distressed regions.

NINE WON CONTRACTS

Firms in the 9 cities did gain $96 million in defense contracts during the period on a competitive basis, however. The bulk of these $67.5 million, was awarded by the Army to firms submitting low bids in nationwide competition.

In all, the 88 distressed communities shared $157.3 million in competitive contracts out of the $6.05 billion awarded in the period.

The Defense Department's fund freeze during the period was detailed in McElroy's summary of contract awards for Mr. Eisenhower.

Of $16.04 billion appropriated for spending after July 1 last year, McElroy said the Defense Department awarded only $6.05 billion, or 37.7 percent.

THIRTY-TWO MILLION DOLLARS FOR STATE

For military vehicles—Michigan's major defense contribution—the Department awarded $52 million or 13.5 percent of the money Congress voted for vehicle purchases.

Because of the lag in contract awarding, McElroy raised a doubt that all of the funds can be allocated before the fiscal year ends this June 30.

He told the President he will "make every effort consistent with sound management" to accomplish the year's procurement program on schedule.

Two weeks ago, Army Secretary Brucker scheduled $100 million worth of new vehicle contracts. Additional missile contracts also have gone to Chrysler.

AVERAGE 9.3 PERCENT

Labor surplus areas on the list in 1957 averaged 9.3 percent unemployment, or almost double the average for the rest of the country, according to a report for the House Banking and Currency Committee.

From July 1 through December 31, 1957, McGuire's report showed three contracts were awarded on a set aside basis for helping the 88 regions on the list. All were Navy orders for coal.

A $431,135 contract was given United Eastern Coal Sales Corp., in the Clearfield-Dubois area of Pennsylvania on the distressed list since 1953. A $261,000 purchase was made from Republic Coal and Coke Co., at Petersburg, Ind. A $235,000 order was placed with Island Creek Coal Sales Co., in the Richlands-Bluefield region of Virginia. The latter has been on the critical list since 1954.

NOT SO OPTIMISTIC

A few days ago, Michigan's Senator POTTER and 9 other Senators asked the Defense Department and the General Services Administration to swing more work into labor surplus areas. POTTER said McElroy has promised fullest cooperation and indicated that more than half of all total procurement would be set aside for depressed areas.

McElroy's assistants, however, are not so optimistic.

The preferential policy is supposed to work this way:

Of an order for 10,000 items, half would be submitted to all bidders to establish the lowest price.

MUST MATCH BID

Firms making these items in depressed areas then would be asked if they can match the low bid. If they can, they may get a contract for part of the Government order.

"If they can't match the bid, they still won't get the business," one official said. Small business firms are supposed to take preference over large corporations under the policy.

One source said the "labor surplus" designation is really meant to be a sort of "psychological stimulus" to manufacturers in hopes it will encourage them to scramble for defense contracts.

PAPER AND PULP DAY

Mr. KEFAUVER. Mr. President, today the South is celebrating Paper and Pulp Day in recognition of the great contribution to its economy which has been made by the paper industry.

The rise of the paper industry in the South has been rapid and dramatic. Almost unknown in the South a generation ago, it ranks today as one of the region's great industries. It is prosperous and growing. I am glad to point out that in no State has its rise been more impressive than in my own State of Tennessee.

Based principally on the southern pine, the most familiar tree of the South, this great industry has not only provided large payrolls for industrial workers, but it has added very greatly to the income of farmers and growers of timber.

The southern pine was once regarded as a nuisance by our farmers. If a field were left unused for a year or two, the farmer often discovered that he had a young forest of pine trees coming up. Yet the easy seeding and rapid growth of the southern pine under the influences of warm skies, a long growing season, and plentiful rainfall, have been the basis for the growth of papermaking.

The southern pine has always been the South's principal source of lumber. It has contributed riches in the form of resins and turpentine. But its new use as a basis for paper may well prove its most valuable use.

Kraft paper is the foremost product of southern mills, but paperboard for boxes and bags and boxes themselves are made in the South. In a world hungry for newsprint, the discovery of a way to make good white newsprint from the southern pine has been very welcome.

I know I speak for all Tennesseans when I pay tribute to the pulp and paper industry of the South. We welcome the great investment it has made in Tennessee and the rest of the South. We are grateful for the jobs it has created for our men and women. We are thankful for the opportunity it has brought our farmers to make profitable and constructive use of their land.

SIXTY-EIGHTH ANNIVERSARY OF THE INTER-AMERICAN SYSTEM

Mr. SMATHERS. Mr. President, on April 14, 1890, 68 years ago, delegates from the American Republics gathered in Washington for the First International Conference of American States. These delegates were familiar with Bolivar's and Clay's vision of a new world, a world united in brotherhood for peace

and progress. At the time it was only a vision, seemingly refuted by the facts of international life.

Practical men were ready to point to innumerable lessons in history to prove that an assortment of nations with conflicting interests, a diversity of tongues, and great disparity in wealth and power could never cooperate for long. Moreover, in the interim since Bolivar's time, some of the American nations had indulged in a number of fierce fratricidal clashes which had left a legacy of bitter memories. Distrust, suspicion, and envy, the persistent diseases of Europe, lamentably pocked the American scene too.

But somehow the people of the Americas could not be dissuaded from believing they were different. Europe had failed, but the New World they contemplated was to be no carbon copy of Europe. With their characteristic optimism and enterprise, the people of the Americas set about creating a new form of international life. For a blueprint they possessed but an illusory dream and a determined will to achieve their goal. Though much work remains to be done, no one today doubts the success of their efforts.

James G. Blaine, then the United States Secretary of State, delivered a welcoming address to his fellow delegates to the first Inter-American Conference. It is a masterful description of the intangible faith we call Pan Americanism. On this 68th anniversary of the founding of the inter-American system, it is fitting that we recall Blaine's words, when he declared:

> The delegates I am addressing can do much to establish permanent relations of confidence, respect, and friendship between the nations which we represent. They can show to the world an honorable, peaceful conference of 18 independent American powers, in which all shall meet together on terms of absolute equality; a conference in which there can be no attempt to coerce a single delegate against his own conception of the interests of his nation; a conference which will permit no secret understanding on any subject, but will frankly publish to the world all its conclusions; a conference which will tolerate no spirit of conquest but will aim to cultivate an American sympathy as broad as both continents; a conference which will form no selfish alliance against the older nations from which we are proud to claim inheritance—a conference, in fine, which will seek nothing, propose nothing, endure nothing that is not, in the general sense of the delegates, timely and wise and peaceful.
>
> We meet in firm belief that the nations of America ought to be and can be more helpful, each to the other, than they now are, and that each will find advantage and profit from an enlarged intercourse with the others.
>
> We believe that hearty cooperation, based on hearty confidence, will save all American states from the burdens and evils which have long and cruelly afflicted the older nations of the world.
>
> We believe that a spirit of justice, of common and equal interest between the American states, will leave no room for an artificial balance of power like unto that which had led to wars abroad and drenched Europe in blood.
>
> We believe that friendship, avowed with candor and maintained with good faith, will remove from American states the necessity of guarding boundary lines between themselves with fortifications and military force. * * *
>
> We believe that friendship and not force, the spirit of just law and not violence of the mob, should be the recognized rule of administration between American nations and in American nations.

Experienced European statesmen might smile in knowing cynicism, but the delegates to the young Republic meeting in Washington 68 years ago dared to experiment. Perhaps the sophisticated statesmen at that time did indeed smile at the chasm between Blaine's lofty ideals and the timid step taken by the conference. As will be recalled, the conference merely established a Commercial Bureau. But that insignificant little bureau was a step, and the only way to learn to walk is to put a foot forward.

The dream, that vision of a new world freed from bloodshed and devoted to peaceful, cooperative pursuits, proved to be enduring indeed. As step by step the American Republics grew to entrust their system with more duties, the Commercial Bureau became the Pan American Union. Finally a decade ago, when we got around to formalizing our working relationship and describing its aims and functions in a charter, we discovered that we already had erected a potent system to pursue the purposes so eloquently outlined by James G. Blaine.

Today the Organization of American States stands as the most effective international system ever created by mankind. In various ways its 21 member states work daily to make this hemisphere a better place in which to live for all its people.

To assure a peaceful environment necessary for the private pursuit of happiness, the American Republics cooperate to maintain peace. They have declared that an armed attack by any state against an American state shall be considered as an attack against all. Unlike any other regional organization, elaborate machinery has been established to aid in the peaceful settlement of differences that may arise between member states. It was only last May the Organization of American States demonstrated its smooth-working machinery which went into gear to prevent hostilities between Honduras and Nicaragua.

Besides its peace-keeping tasks the Organization of American States has taken up arms against the enemies of man. Through this great organization the 21 American Republics are continually making war on illiteracy, disease, poor housing, and inadequate diet.

As a result of its proven effectiveness, the inter-American system is no longer an object of ridicule. It has come a long way since its nucleus, the Commercial Bureau, was established on April 14, 1890. It is well to recall, on its anniversary, that the essence of the inter-American system is not some special apparatus neatly built into a charter. The heart of the inter-American system is a faith, embodying the same intangible convictions of Clay, Bolivar, Blaine, Hull, and Roosevelt, that breathes life into a word—Pan Americanism.

Mr. President, I ask unanimous consent to have printed in the RECORD, following my remarks on Pan-American Day, an excellent letter which was prepared by the Honorable Phelps Phelps, former Ambassador to the Dominican Republic, which appeared in the Washington Post and several other newspapers.

The contents of this letter merit the attention of the Congress, since the views expressed are those which have been of concern to all of us desiring to further improve good relations with our neighbors to the South.

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

To the EDITOR.

SIR: With the approach of Pan American Day the matter of our relationship with other American nations is again brought into sharp relief. But this year, as a result of international developments, the issue is suddenly most vital. There has been a definite Soviet inclination toward Latin America, emphasized recently by an offer of a trade agreement to Argentina. This is the same kind of an arrangement recently concluded between Russia and Egypt, in which the recipient nation receives more in value than the Soviets, and pays off over a long term, at small interest.

This Russian offer to Argentina comes at a time when relations between us and our neighbors to the south are not at best. This was evident during the last year in the United Nations, where Latin American nation delegates voted against our position more than ever before.

The Soviet overtures toward Latin America are not to be taken lightly. They are the first moves in the Russian infiltration program which worked so well in the Middle East. We must remember that to many people the threats from communism do not appear as perilous as they do to us. We cannot shout "Red" and expect these people to jump across a line into our protective arms.

We can expect, however, that if we make a sensible and intelligent approach to reestablishing their confidence in us, these efforts will be met with friendly cooperation.

One thing we can do, and here our Government can help immeasurably, is to increase the flow of tourists to Latin America. Tourists spending United States dollars will bolster the economy of the Latin-American countries, and they will be able to buy more of our goods.

Another matter of extreme importance involves financial aid to Latin American nations. Giving money is repulsive because no nation desires charity and those which circumstance forces to accept it are resentful. Lending money at short-term, high interest has proven unsuccessful. But lending money or arranging payments for goods on long-range, short-interest terms not only permits the recipient nations to maintain their self-respect and integrity, but will bring tangible returns in appreciation and cooperation.

We might, on this Pan American Day, rededicate ourselves to the principles of international relations set forth by the late Cordell Hull: Justice, equality and cooperation. And we might put these principles into practice by using our influence to see that our southern neighbors use our help to help themselves.

PHELPS PHELPS,
Former Ambassador to Dominican Republic.

NEWARK.

Mr. SMATHERS. Mr. President, I ask unanimous consent to also have printed in the RECORD two editorials,

one of which appeared in the Washington Evening Star and the other in the Washington Daily News, in commemoration of the 68th anniversary of Pan American Day, and an article from the Washington Daily News.

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

[From the Washington Evening Star]

DAY OF THE AMERICAS

Today marks the 10th anniversary of the founding of the Organization of American States. With the exception of Canada, which is a sort of informal member, this family of nations (21 of them) embraces every country in the Western Hemisphere. More important than that, however, it embraces an idea that sets up a splendid goal for the entire world, on both sides of the Iron Curtain.

The idea can be expressed simply enough. What it means, in practice, is good neighborliness in the form of economic, political and cultural cooperation among all the countries of our hemisphere. It means also, again in practice as well as in words, a common effort in behalf of mutual defense and the peaceful settlement of inter-American disputes. These are not dreamy objectives. They are not ideals far removed from reality. As has been demonstrated many times in the past—most recently in the way OAS has relaxed potentially dangerous tensions between certain of our sister republics in Central America—the nations of the so-called New World have really learned to live together, and work together, to a degree not equaled by most of the Old World.

To say this, of course, is not to suggest that our inter-American system is flawless. Actually, in terms of its internal stresses and strains, it still falls far short of perfection. But even so, taken all in all, the peoples living within it—upward of 355 million human beings with widely diverse backgrounds—have blazed a kind of trail for Europe, Asia and Africa in the difficult business of promoting international harmony on a regional basis. In that sense, as President Eisenhower once declared, there can be no doubt that our hemispheric cooperation represents "an historic and meaningful unity. It has been—for our whole continent—an honest and productive unity. It can be—for other areas of the world—a prophetic and inspiring unity. For it is triumphant testimony, before all the world, that peace and trust and fellowship can rule the conduct of all nations, large and small, who will respect the life and dignity of each other."

So on this Pan American Day, a day which our hemisphere has formally celebrated on every April 14 since 1931, we and all the other nations of the New World have reason to take pride in the great regional community we have organized and are still working to perfect. And by the same token, as interested onlookers, nations elsewhere have reason to study this community as the possible forerunner of a worldwide family of peoples joined together as good neighbors cooperating for a decent and enduring peace.

[From the Washington Daily News of April 14, 1958]

OAS

Like all married folk once the honeymoon is over, the nations in the Americas forget from time to time how fond they are of each other and how bound up they are in ties that could be broken only through agonizing stress.

They may spat and complain and argue over finances, but underneath it all is a solid foundation of common interest, a great deal of mutual respect, and a deep understanding that they are much happier and much better off together than they could ever be apart.

The News' Latin American columnist Edward Tomlinson points all this up in his piece today on page two.

In this editorial column, we just take this time to salute the Organization of American States in its commemoration of Pan-American Day and to congratulate this valuable organization on its many successes.

It would be easy to write a critical editorial about OAS. It is always easy to be critical, human imperfections being what they are. And it is a fact that on several fairly recent occasions, OAS has been weak, hypocritical, and has betrayed the long-term interests of the peoples of the hemisphere for the sake of the short-term ease of some of the delegates to it. Some of the diplomats assigned to it who could have influenced OAS and their own governments' policies, failed to stand up and get counted on their convictions, because it might have been unpleasant.

However, time has a way of catching up with ideas, and there will come a day when such humanitarian notions will be dealt with; when, for instance, freedom of speech will be as stoutly defended as the freedom for discredited dictators to go over the border with their loot; when the safety of the individual from secret police will be as much the concern of all the Americas as safety of the individual from yellow fever; when the right to know will be as stoutly defended as the right to get rich.

But it all takes time, and the plain fact is, that no international organization has a more splendid record of accomplishment than OAS. It has stopped wars, assuaged national political wounds, brought health to millions of persons, let the work of many artists be known to the world, spread knowledge, and has provided the mechanism to bring a better life to the already tremendous and still exploding population of the New World.

It represents the high point of international cooperation, peace, and good will in our troubled world.

Even greater triumphs remain ahead for OAS, won in the name of humanity.

[From the Washington Daily News of April 14, 1958]

LEADERS DETERMINED TO DEVELOP UNDERSTANDING—NEW AIR OF FRIENDLINESS MARKS START OF PAN AMERICAN WEEK

(By Edward Tomlinson)

Cuban civil war headlines to the contrary, as another Pan American Week gets under way there are fewer dictators and strongman governments in power and more friendliness and understanding between the 21 American Republics, Canada and the scores of islands and colonies of this hemisphere than in a generation.

Today, governments schools and civic organizations from Washington to Buenos Aires are celebrating the 68th anniversary of the Pan American movement and the 10th birthday of the Organization of American States.

The violence, open warfare, political confusion and tension that prevail in Africa, the Middle and Far East, as well as parts of Europe, make the New World seem like an oasis of peace by comparison.

South of the border there is greater determination than ever before among the responsible leaders and citizens to maintain and develop human freedom.

FEELING

The very fact that a large element of the population of Cuba has challenged President Fulgencio Batista and his army's domination of the island, its press and the very thought of the people, is added evidence of the growing feeling in the Americas against one-man rule.

The origins, or the methods by which several of the present governments came to office would not stand too close a scrutiny, but only three outright dictators hold sway in Latin America at the moment. They are in Cuba, the Dominican Republic, and Paraguay.

The most recent to walk the plank were the powerful military usurpers, Gen. Marcos Perez Jiminez of Venezuela and Gen. Gustavo Rojas Pinilla of Colombia.

Peru and Brazil, where dictatorial regimes ruled for many years, are now in the hands of duly elected presidents and congresses.

After months of rioting and bloodshed, the Haitian people went to the polls and voted for a civilian president.

In February the Argentines engaged in free and unfettered elections for the first time in a quarter of a century.

For the most part unrigged elections are becoming the rule rather than the exception. In most of the countries government candidates can no longer be sure of victory.

EASY VICTORIES

In the latest elections in Guatemala, Honduras and Costa Rica opposition candidates won hands down. President-elect Arturo Frondizi, who takes office in Argentina May 1, was not only a bitter critic of the government of President Pedro Aramburu, but some of the high army officers hinted they might not accept him. Yet he won by a whopping plurality.

There are no armies with aggressive purposes camping on frontiers. From Canada to Chile not a single nation is threatening its neighbor. This is unique in the world. No other comparable region can lay claim to such security.

At the end of its first decade the Organization of American States still has a long way to go before it becomes as vigorous, efficient, impartial, and effective as an agency of international collaboration it was designed to be. But, it has been able to act promptly and with considerable success in the few emergencies that have arisen.

The only threat of conflict, or gunplay, that has occurred in the past year, was the border dispute between Honduras and Nicaragua. That was settled in short order by an OAS Peace Commission.

PROBLEMS

Today practically every one of the countries, including our own, is beset with trade, commercial, financial, and other economic problems, that affect its relations with its neighbors. Many people in every one, the United States included, are talking of higher tariffs, quotas, and restrictions on imports from the others.

But by and large, there is an increasing realization on the part of governments that such matters must be settled by conference and consultation, as befits civilized peoples.

All of which is due, in no small measure, to the growing force of aroused and informed hemisphere public opinion. In the past 12 months the Inter American Press Association has grown in power and influence. It has become a veritable scourge for all dictators.

Its persistent and fearless stand against all forms of censorship has stiffened the backbones of many who otherwise would be subservient in various countries. It has instilled new courage to speak out against oppression and tyranny, and has been an inspiring example of unselfish international cooperation among free men.

In spite of their internal political squabbles, their economic difficulties and problems, the Pan American family of nations offers the world an example in cooperation and friendly relations that would be hard to equal.

CONSTRUCTION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS—VETO MESSAGE (S. DOC. NO. 88)

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair) laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, ordered to lie on the table, and to be printed:

To the Senate of the United States:

I return herewith, without my approval, S. 497. The bill would properly authorize needed appropriations of over $800 million for 14 previously authorized river basin plans on which legal limitations on appropriations were imposed in earlier legislation. The bill would also authorize future appropriations for 140 new water resources development projects or project modifications estimated to cost nearly $900 million. Many of these are sound projects which will make important contributions to our national wealth, but others are not justified for reasons I shall detail.

It is with real regret that I have found it necessary for the second time in 2 years and for many of the same reasons to disapprove omnibus legislation authorizing appropriations for rivers and harbors and flood-control improvements.

The Congress in enacting S. 497 has in many instances, disregarded the careful study and considered judgments of the professional services and other executive agencies concerned. The bill would authorize 28 new projects or project modifications estimated to cost about $350 million under terms which I cannot approve without destroying some of the most important governmental policies in the field of water-resources development. The bill has other unacceptable provisions. In particular I believe that the bill is defective for the following reasons:

1. It would authorize 14 projects, estimated to cost about $168 million, on which the local participation provided for in the bill does not adequately reflect the substantial local benefits which would result. It would also reduce the cost sharing required for one other previously authorized project. I believe a sound national policy requires that a comparable measure of responsibility for projects where there are identifiable beneficiaries must remain at the State and local level. I also believe, as I stated in August of 1956 in my disapproval of legislation similar to S. 497, that authorization of water-resource projects on the terms provided for in the bill 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.

2. It would authorize 4 projects estimated to cost over $27 million on which adequate reports have not yet been submitted to the Congress under legally established procedures. It is, therefore, not possible to determine whether their authorization would be in the public interest.

3. It would authorize 3 projects estimated to cost about $115 million which the reports of the Chief of Engineers show have no economic justification.

I cannot overstate my opposition to this kind of waste of public funds.

4. It would authorize the reimbursement of local interests for work accomplished by them in their own behalf prior to authorization of a Federal project, on the grounds that the work is similar to that undertaken elsewhere by the Federal Government. I consider it quite inequitable to provide for this kind of reimbursement when local communities all over the country are investing their money in public works projects which are similar to many kinds of Federal projects.

5. It would authorize a new small-boat harbor in spite of the fact that adequate harbors are located nearby and the likelihood that local interests cannot meet the cost-sharing requirements recommended by the Chief of Engineers.

6. It would authorize as costs to Oahe and Fort Randall Reservoirs five payments for damages alleged to have been suffered from construction of those reservoirs in South Dakota. In three of these cases the executive branch has determined that there is no legal liability and the Congress has previously accepted this determination. In one of the other two cases there appears to be no merit to the claim, and in the final case it may be possible to adjust the claim administratively.

7. It would authorize, in reservoir projects of the Corps of Engineers and the Bureau of Reclamation, the inclusion without reimbursement of water storage for increasing the flow in times of low water, even though the beneficiaries of such works may be clearly identifiable. It would also authorize the inclusion of municipal and industrial water-supply storage in such projects without providing adequate standards for payment of an appropriate share of the basic costs by local interests. In addition, there has been insufficient exploration of the complex legal implications of these ambiguous provisions as affecting water rights. It is my firm conviction that such important substantive changes affecting water-resources policy and costs should be made, if at all, only after full, independent consideration not related to an omnibus authorization bill. The Secretary of the Army has previously made suggestions for acceptable legislation on this subject.

8. It contains a provision that, contrary to a time-honored principle, is intended to affect the conduct of litigation now pending in a Federal court.

In addition, the bill would authorize 3 projects estimated to cost about $38 million, representing the first proposals for a broad new Federal program of hurricane flood protection in tidal waters, without adequate consideration of the level of local participation in the cost of such a program. These three are sound, worthwhile projects, and I believe that the Federal Government has a responsibility to assist State and local communities in such a program of local protection against floods resulting from hurricanes. I have, therefore, requested the Secretary of the Army to submit to me at the earliest practicable date his recommendations for an appropriate division of responsibilities between the Federal Government and the affected State and local governments for such a program. I shall then be prepared to recommend to the Congress the enactment of legislation on this subject.

The argument has been advanced that S. 497 is needed for the stimulus to the economy which would result from starting the projects it would authorize. I would point out that significant steps have already been taken to accelerate Federal construction activities. Should it be found desirable to increase these activities further, appropriations will be recommended for projects capable of being started quickly.

At the present time there is a backlog of public works projects estimated to cost nearly $5 billion. With a few minor exceptions, it would be many months, even years in the case of larger projects, before the necessary plans could be completed and actual construction started on the new projects which this bill would authorize.

I believe that the experience of the last 3 years suggests that the authorization of water resources development projects might better be handled by a divided approach to the problem. Projects favorably reported on by the Chief of Engineers, and to which the executive branch has no objection, could be included in one bill. The authorization of other projects, not meeting either of the above criteria, could then be proposed in separate bills, one for each such project. This approach would, I believe, provide a better opportunity for the kind of careful review by the Congress and the executive branch which should be given to matters of such importance to the people of this Nation.

Meanwhile, I recommend that the Congress act quickly to provide increased monetary authorizations for the river basins where 1958 and 1959 fund requirements for projects now under construction will exceed present statutory limits. This can be accomplished by enactment of legislation submitted to the Congress in January by the Secretary of the Army.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *April 15, 1958.*

The PRESIDING OFFICER. The message accompanying the bill will be printed and will lie on the table.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the remarks I am about to make relating to the veto message be printed in the RECORD following the message.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. HUMPHREY. Mr. President, I was told by the distinguished Senator from South Carolina during my remarks today that the President has vetoed the rivers and harbors bill which was sent

to the President last week. I have not yet received a copy of the message; therefore, I am at a loss to know on what grounds the President took such action.

I can only say that by the veto the President again has demonstrated an unwillingness to meet the recession with forthright and effective action. Of equal importance, this is, I believe, the third veto of a rivers and harbors authorization bill for the development of water resources, the development of navigable streams, and the improvement of harbors, flood control works, and a host of other greatly needed projects.

The President has expressed his regret at having to veto the measure; but in so doing he has only retarded a planned program of recovery. The President knows there is a backlog of public works projects estimated to cost almost $5 billion. One of the reasons for the backlog is the inaction of the executive branch, administrative paralysis or, at least, sleeping sickness.

Only recently the President vetoed the measure to help stabilize farm income. Now we have the veto of a measure which was carefully worked over again by both Houses of Congress, a measure which, by the way, had had eliminated from it most of the highly controversial projects.

I think this is a demonstration of the fact that the administration simply does not understand the economics of America. It simply does not understand what is going on throughout the country in terms of the economic decline.

Mr. President, I regret that the President has seen fit to veto this measure. I appeal to the Congress to override the veto with a thumping majority. That is about the only way I see that the Congress can teach the White House that the Congress itself is going to have something to say about the problems of the Government and the economy. Apparently the word that the country is in trouble has not been able to reach 1600 Pennsylvania Avenue.

We read in the Washington Post of April 14 an article entitled "States Await United States Action in Slump, Survey Shows—Many Hesitate To Move on Their Own—Federal Extension of Jobless Aid and More Public Works Sought."

Mr. President, these are the views of governors and members of the legislatures of the States, most of whom are moderate, cautious, and prudent men. Yet the President of the United States within 1 month has administered 2 vetoes to important pieces of proposed legislation which were passed overwhelmingly by the Congress.

I say to the Members of Congress that the executive branch refuses to govern. The executive branch has an addiction to the negative. It has adopted, in connection with its cultural exchange program with the Soviets, the word "nyet." The executive branch of our Government seems to have taken over that word.

I believe we need to demonstrate affirmative conviction. There is only one way by which we can do it, Mr. President, and I hope it will be done quickly, namely, to call up the veto message, and then override it with such a tremendous vote that the President and his cabinet and his advisors will understand that the Congress does not intend to see America's economy slip, decline, and retreat, only to have someone in a high place say, "According to the things I read, nothing is happening."

Mr. KEFAUVER. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. KEFAUVER. Mr. President, I certainly wish to join the Senator from Minnesota in his expressions about the President's veto of the rivers and harbors bill; and I also desire to join the Senator from Minnesota in his expression of hope that the Congress immediately will override the veto. I can think of no public works better calculated to stimulate employment—aside from the basic need for the improvements themselves—than the items covered by the rivers and harbors bill.

I should like to ask the Senator from Minnesota if it is not true that the projects covered by the bill, with perhaps some very few exceptions, were studied by the Army Corps of Engineers and were found to be economically feasible and proper by that branch of the executive department of the Government; and I should also like to ask him if this does not show that not only is there a conflict between the President of the United States and the Congress, but there is also a conflict between the President of the United States and the able and conscientious Corps of Army Engineers, which has recommended these projects.

Mr. HUMPHREY. Mr. President, I recall very vividly the debate in the Senate and the questions which at that time were asked of the senior Senator from New Mexico [Mr. CHAVEZ]. He was asked whether the projects included in the bill had been approved by the executive branch. His reply was that some did not have Bureau of the Budget approval, but they did have clearance with the Corps of Army Engineers.

Furthermore, Mr. President, it is about time that we make quite clear the fact that nothing in the law requires Bureau of the Budget approval. The Bureau of the Budget is an advisory arm of the President. The Bureau of the Budget has a very vital function to perform; I do not underestimate its importance. But there is nothing that requires that the Congress stand still and be inactive and inoperative until the Bureau of the Budget makes up its mind.

Mr. President, the Congress has the responsibility to legislate.

Although the President may refer to the fact, as he does, that there are 14 projects which do not meet the executive standard of local participation, and 4 projects which do not meet all the procedures which have been established by the Executive, that does not mean that the Congress of the United States is to be hogtied and literally restrained and restricted by a regulation of the executive branch, when it comes to legislating.

So, Mr. President, I can imagine that the Senate will take prompt action on this matter. I hope the action to override the veto will be accompanied by a series of antirecession measures.

I warn the administration that it is putting in jeopardy its foreign-trade and its foreign-aid programs, which I support, and they are programs which I wish to see enacted. But if the administration insists on rejections and vetoing many measures which are designed to aid the American people; if the administration insists on turning down the legislative enactments of the Congress, which the Members of Congress believe, on a bipartisan basis, are necessary for the American people, then the administration can note in its executive notebook that mutual security and reciprocal trade are going to be in trouble. I do not state this as threat, because I intend to vote for those measures. But I am not unaware of the mail which is coming to my office and to the offices of my colleagues. That mail simply says, "Before you start to repair the harbors of every other country; and before you start to drain and dredge the rivers, to make them navigable, in the Far East and the Middle East; and before you decide to prevent floods in certain parts of the world, such as Asia and Africa, why do you not take care of a few things at home"? That is a hard argument to resist.

Mr. President, I recognize the importance of international cooperation. I believe in it. I have supported it. I have been loyal to my convictions, in terms of foreign aid, as a part of America's defense; and of foreign trade, as a part of our economic defense.

But I say that the President of the United States is being ill-advised—or, if not, he is making unwise decisions—when he continues to veto the legitimate requests of the Congress on the farm front and on the front of the protection of the homes and businesses of the communities and the lives of the people who live in them. The bill the President has vetoed was exactly designed to protect the property, and the lives, and the homes, and the businesses of millions of the American people.

Mr. President, let me say to the President that he has not killed that program. He may have stunned it, but there will be a reawakening; and I hope and pray that the veto message will be called up by our leader, and that the veto will be overridden, and that the Senate will proceed forthwith to a full-scale program of antirecession measures.

Mr. YARBOROUGH. Mr. President, before the Easter recess I expressed the hope that the President of the United States would sign the rivers and harbors bill, even though there were individual items in it the President did not approve.

The rivers and harbors bill was vetoed by the President last year. The President vetoes, the President says "No," but the inexorable forces of nature say "Yes." The forces of nature silt up our navigable channels, they fill our harbors, they obstruct our navigation, they impede our commerce. The wind and waves, the tides and currents, work day and night, while man debates over plans, political credits, and future elections. The forces of nature care naught for elections, and until we put aside petty considerations

and put our shoulders to the wheel, we will not clear the channels, build the breakwaters, and open and extend our port facilities to the commerce of the world.

We will not save floodwaters that now flow unused into the oceans until we build the reservoirs to save them.

The President's veto message of the rivers and harbors bill perpetuates wastes of natural resources. The veto message was written by a good grammarian, but a poor economist. It reflects a sense of futility, a retreat from reality, a futile fumbling over the problems of our natural habitat and our environment. The veto message is an anticonservation measure. I am a conservationist. With our expanding population and economy, the greatest days of America lie ahead. We are not resting on past glories; we as a people are restless for new achievements.

The tired administration is not giving the American people leadership. It wears the bedroom slippers of rest. I will vote to override the President's veto of the rivers and harbors bill in order that our conservation and navigation facilities will keep abreast of the growing dynamism of our people and our economy.

As I previously urged the President, he should tell us specifically which projects he approves and which ones he finds objectionable. He says vaguely in his veto message that the bill includes 28 projects involving $350 million appropriations with which he does not agree. This leaves over 100 projects, involving $1 billion, which the President presumably finds all right. I believe he owes it to the Nation and to the Senate to tell us specifically which projects he will approve and to list the ones which he finds objectionable. There is no point or logic in stalemating the progress and development of the greatest country in the world because the President cannot agree to some parts of a 150-project development program.

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. FULBRIGHT obtained the floor.

Mr. CARLSON. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. FULBRIGHT. Mr. President, I yield for that purpose.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Bush	Cooper
Allott	Byrd	Cotton
Anderson	Carlson	Curtis
Barrett	Carroll	Dirksen
Bennett	Case, N. J.	Douglas
Bible	Case, S. D.	Dworshak
Bricker	Church	Eastland
Bridges	Clark	Ellender
Ervin	Kennedy	Proxmire
Flanders	Kerr	Purtell
Fulbright	Knowland	Revercomb
Goldwater	Kuchel	Robertson
Gore	Langer	Russell
Green	Lausche	Saltonstall
Hayden	Mansfield	Schoeppel
Hennings	Martin, Iowa	Smathers
Hickenlooper	Martin, Pa.	Smith, Maine
Hill	McClellan	Smith, N. J.
Hoblitzell	McNamara	Sparkman
Holland	Monroney	Stennis
Hruska	Morse	Symington
Humphrey	Morton	Talmadge
Ives	Mundt	Thurmond
Jackson	Murray	Thye
Javits	Neuberger	Watkins
Jenner	O'Mahoney	Wiley
Johnson, Tex.	Pastore	Williams
Johnston, S. C.	Payne	Yarborough
Kefauver	Potter	Young

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). A quorum is present.

Mr. FULBRIGHT. Mr. President, I offer an amendment on behalf of the junior Senator from Alabama [Mr. SPARKMAN], the junior Senator from Wisconsin [Mr. PROXMIRE], and myself.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 6, it is proposed to strike out the matter in italic beginning in line 11 and ending in line 14 and insert in lieu thereof the following: "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."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas for himself, the Senator from Alabama [Mr. SPARKMAN], and the Senator from Wisconsin [Mr. PROXMIRE].

Mr. FULBRIGHT. Mr. President, it would seem that the question of interest rates on Federal loans may never be settled to the satisfaction of most of my colleagues on the other side of the aisle. As Chairman of the Committee on Banking and Currency since 1955, I can recall no other issue upon which the Democratic majority and the Republican minority have disagreed so consistently. Perhaps it is because the minority members, with some praiseworthy exceptions, argue for the owners of money; whereas, the majority members, by and large, argue for the vast majority of the American people—the users of money. I feel that at the present time conditions in this country are such that the public welfare requires us to give the priority to the users of money.

When I recall the lack of objection by the minority Members of the Senate to the recent expansion of the Export-Import Bank by $2 billion, and when I note their determined opposition to the $1 billion authorized in the pending bill, I confess that I find it very difficult to reconcile the varying attitudes of the minority Members of the Senate.

There is another matter which the minority should consider very seriously—the foreign aid programs which have been enacted in the past. I do not recall that at any time the minority Members of the Senate have objected to the interest rates provided for the very large lending program in the foreign field. It is beyond my comprehension why they are unwilling to accept in the pending bill interest rates as low as those which apply to the foreign field. The interest rate I have proposed is the same rate as that being paid on loans to farmers and businessmen and governments in the foreign field, and I cannot understand why they should object to 3 percent interest to domestic State and local governments.

For the information of the Senate I should like to call attention to some of the interest rates which have been approved, and certainly approved by the minority Members of the Senate. All the countries I shall cite are friends of ours, of course, whom we are trying to assist by helping their economies.

Afghanistan pays 3 percent on its mutual security program loan. Afghanistan has been authorized to receive over $12 million at 3 percent. Austria, under the Agricultural Trade Development and Assistance Act, pays interest at the rate of 3 percent on a loan authorized at $16 million.

I may say also that practically all these countries have received loans for the purchase of world war surplus property at a going rate of 2⅜ percent.

Belgium, a country which is extremely well off, pays 2⅜ percent on a $30 million loan for the purchase of surplus property and 2½ percent on mutual security program loans.

Burma paid 2⅜ percent on an overseas surplus property loan.

Nationalist China—Taiwan—under the mutual security program, has been paying 3 percent.

I call to the particular attention of the Senator from California, who has taken great interest in the matter, the fact that the United States has auhorized a loan to Taiwan of $60 million at 3 percent. Of the amount of that loan, $41,766,000 has been disbursed.

In addition, grants of $386 million have been given to Taiwan since January 1, 1953.

It is beyond my understanding why grants to that extent and loans for economic development in the amount of more than $41 million can be extended at 3 percent, and yet objection is made so strenuously to the 3 percent provided in the bill proposing loans to the communities of the United States, communities which need the assistance to be extended. The loans which would be made to cities would be of first-grade quality. No one questions the fact that they will be repaid, and repaid with interest.

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

Mr. FULBRIGHT. I yield.

Mr. KERR. Is there the slightest doubt in the mind of the Senator from Arkansas that the loans contemplated in the bill would have a much higher acceptance factor in the matter of the certainty of their being repaid than could be said of the foreign loans to which the Senator has referred?

Mr. FULBRIGHT. I think the Senator from Oklahoma is quite right in his implication. In the market the community loans would rate far higher than

would most of the loans which have been made under the foreign program. At the moment, even assuming that they are of equal quality so far as security is concerned, we are talking about the interest rates. Consider the loan to Taiwan. Why the minority has no objection to 3 percent in that case, but insists upon 3½ percent on loans to the communities of the United States, is beyond my comprehension. It simply does not seem to me to be rational.

I have a list showing that since 1945 some $17,782,000,000 has been authorized for loans in the foreign field. I may say that, so far as I am concerned, I voted for most of them. I have no objection to them; I am not complaining about them. But I think the majority of the Republicans also approved them. Of that amount, $15 billion has been disbursed.

Not all of those loans were made at the lower interest rate. Some of the Export-Import Bank loans have ranged from 3 to 3½ percent, and in some cases as high as 6 percent.

Consider Finland. On some of Finland's Export-Import Bank loans, they have paid 2½ percent, on others 3 percent, both rates being lower than the rate in the bill before the Senate.

France has had mutual security program loans totaling $225 million, at 2½ percent. I do not recall that the Senators of the minority complained about that; as a matter of fact, I think most of them went along with that rate.

I am completely at a loss to know why they should insist that the small towns and cities of the United States must pay more for loans than we are charging foreign countries.

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

Mr. FULBRIGHT. I yield.

Mr. McNAMARA. In connection with the amendment offered by the Senator from Arkansas, I may say that I had prepared an amendment along the same lines, but I shall not now offer it.

When a draft of S. 3497 was first shown to me my reaction was that it was a good bill and would be helpful to many communities. I was pleased to add my name as a sponsor.

I was particularly impressed by the provision that established the interest rate on loans to communities under this program. Originally, this provision was so worded as to set the interest rate at about 3 percent.

I realize that many cities have relatively good financial health and are able to obtain funds from other sources at less than 3 percent.

Nevertheless, the 3 percent interest rate originally provided by the bill was quite appealing to the officials of many of the communities whom I contacted.

In fact, a quick sampling of the Michigan cities disclosed that local public works projects worth more than $125 million were ready to go forward if low-interest loans were made available.

Thus, it was a great disappointment to me when the Banking and Currency Committee reported S. 3497 with an amendment which would establish the interest rate at 3½ percent.

Other amendments, such as one reducing the loan fund from $2 billion to $1 billion and limiting the revolving fund to $400 million, also were disappointing.

However, it was the amendment raising the interest rate to 3½ percent that caused me the most concern.

It seems to me that Congress goes out of its way to provide windfalls and assistance and protection to those institutions which need it the least, such as the insurance companies and the banks.

It was the tight-money policy of this administration which, to my mind, had a great deal to do with the stifling of our economy and the resulting recession.

Yet here, again, is an effort to cater to the lending institutions by raising the interest rate in this bill to an unreasonable 3½ percent.

Mr. President, if we accept the bill with the 3½-percent provision, I think we shall do great damage to a worthy program.

For all practical purposes, there will be a lowering of the effectiveness of the proposed legislation both as a genuine aid to cities and towns on their public works problems, and as an antirecession measure.

I thank the Senator from Arkansas.

Mr. FULBRIGHT. I thank the Senator from Michigan for his comments and his support of my position.

I should like to cite a few other examples. Let us take the case of Germany, one of the most prosperous countries in the world today. So far as I know, Germany has not yet even been afflicted with a severe recession. Under the mutual security program $16,900,000 was authorized for Germany at a rate of 2½ percent. One billion dollars, originally in the form of grants, was converted into credits.

We made loans to Hungary shortly after the war at 2⅜ percent.

We made loans to Iceland under the mutual security program at 2½ percent and 3 percent, and one at 4 percent.

In India a part of the mutual security loans were made at 2½ percent.

To Indonesia we made some mutual security loans at 2½ percent.

To Iran, one mutual security program loan was at the rate of 3 percent.

One mutual security program loan to Italy was at 2½ percent, and others at 3 percent.

The loans were not all at uniform rates. I am only stating that loans have been made under the mutual security program to practically every one of the major countries, and some of them at rates as low as from 2 percent to 3 percent.

Libya received a loan of $19 million at 3 percent.

Lebanon obtained a loan at 2⅜ percent.

The Netherlands received an Export-Import Bank loan at 2⅜ percent, and a loan with which to purchase overseas surplus at 2 percent.

Norway received a $39 million loan at 2½ percent, and an Export-Import Bank loan at 3 percent.

Pakistan received a mutual security loan at 3 percent.

The Philippines received a mutual security loan at 3 percent.

Poland received an Export-Import Bank loan at 3 percent on $40 million, and an overseas surplus loan at 2⅜ percent.

Portugal received mutual security loans at 2½ percent and 3 percent.

Spain received mutual security loans at 2½ and 3 percent.

Sweden received an overseas surplus loan 2⅜ percent.

Thailand received a mutual security loan at 3 percent, and an overseas surplus loan at 2⅜ percent.

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

Mr. FULBRIGHT. I yield.

Mr. KERR. Is it reasonable to expect that the administration will continue to favor a program of loans to foreign countries at the interest rates being named by the Senator?

Mr. FULBRIGHT. I assume the Government will continue to make such loans. It is true that the interest rates generally are somewhat higher than they have been in the past. But so long as the 3 percent rate, as originally proposed in the bill—and ny pending amendment would now ask the Senate to reaffirm it—returns to the Government the entire cost of the overall borrowing, plus one-quarter of 1 percent, I see no reason at all why the administration should object to that rate, which is for the benefit of the people and the communities of the United States, when in the recent past, at least, loans on a more liberal basis have been made under foreign-lending programs. Regardless of what may be done in the future, we are confronted with the record of what the administration has already done. For instance, in the course of my statement, I have referred to the administration's loan of $60 million to Taiwan, at an interest rate of 3 percent.

Mr. KERR. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. KERR. Does the Senator from Arkansas believe that Senators should reevaluate their attitude in regard to the interest rates on loans to foreign countries, if it is found impossible to secure the benefit of the same interest rates in the making of loans to our own local units of government?

Mr. FULBRIGHT. I think that is almost inevitable. Let me put the matter this way: I do not wish there to be any misunderstanding, because I voted for many of those loans. For instance, I voted for the British loan of $3,700,000,000.

Mr. KERR. I did, also.

Mr. FULBRIGHT. But I cannot understand why the administration is so parsimonious and conservative in its attitude toward the American people and their communities.

Mr. KERR. So far as I am concerned, I would not be able to justify continuing to vote for loans at low interest rates to foreign governments, if I should find that it is impossible for local units of government in my own State to obtain such loans on equal terms from the same lender, their own Government. I wondered whether the Senator from Arkansas believed that, in his relationships with his own constituents, he might be

confronted with the necessity of making a decision on that question.

Mr. FULBRIGHT. I think the Senator from Oklahoma certainly has raised a valid point, and it is one which I have not overlooked. It is very embarrassing to me to be asked to approve of foreign-aid programs, when I am confronted with an attitude of this sort toward a domestic program; it is very difficult to explain to my constituents why it is impossible for our Government to provide money, on equal terms, to help them with sound programs which they need, and for which they will repay the Government.

Mr. KERR. And which will be an obligation of a local unit of government in the Senator's own State.

Mr. FULBRIGHT. That is correct. It is very difficult for me to say to them, "I am sorry; but we cannct arrange for you to have the benefit of an interest rate as reasonable or as low as the one we are able to provide for foreigners. We can allow them to have interest rates much lower than the ones you can have."

It is very difficult to make any explanation of that situation.

Mr. KERR. I appreciate the Senator's feeling that way and saying so. If he had told me that he would think it a sound policy to continue to make loans to foreign governments at 2½ or 3 percent, and then to deny loans to our own people at similar rates, I would have asked him what explanation he thought he could make to satisfy his own constituents. I have been unable to figure out any explanation I could make, and I wondered what the Senator from Arkansas thought about that matter.

Mr. FULBRIGHT. I want the RECORD to show that in the committee I voted against the original request for a 3½-percent rate. It seems to me that the 3-percent rate is a fair one—which is all we are requesting—because it returns the cost, and is not a subsidy from the Federal Government.

Mr. KERR. The Senator from Arkansas does not favor an interest rate which would constitute a subsidy; neither does he favor one which would constitute a penalty. Is that correct?

Mr. FULBRIGHT. That is correct.

We have debated this question heretofore. I wish to remind the Senator from Oklahoma that we debated it in connection with college housing; and I am very proud that the Senate has affirmed this position in the past, in that particular program, although there have been some close votes.

This arrangement is working well. It really is not costing the Government anything. In other words, it is returning to the Government the costs of borrowing, plus the administrative costs. I believe it is an ideal interest rate to apply to a program of this kind, which is for the assistance of communities all over the United States.

I am bringing up the matter of foreign loans simply to illustrate the differing positions of Senators who belong to the minority party, both in the committee and, apparently, on the floor. I am unable to understand how such Senators can reconcile that attitude with what their own administration is doing in the foreign field.

Mr. KERR. I thank the Senator very much.

Mr. NEUBERGER. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. NEUBERGER. Mr. President, on March 17, when the able Senator from Arkansas introduced the bill to expand the facility loan program of the Community Facilities Administration, I addressed to my distinguished colleague several questions concerning the scope of Senate bill 3497. I was very pleased to be assured that my home community of Portland, Oreg., with a population of approximately 430,000, would be eligible to seek loans under the terms of the bill. At the time, I referred to a visitor to my office, Mr. Paul C. Northrop, Roadmaster of Multnomah County, Oreg., in which Portland is located. Mr. Northrop had described the effort to effectuate a tri-county sanitary district to meet the needs of the spreading suburban development which has given Portland bedroom areas in adjacent Clackamas and Washington counties. The suburban growth has created some extremely distressing problems, because the influx of people has outdistanced the construction of sanitary facilities. In his discussion, Mr. Northrop made clear that in order to go into business on a scale sufficient to enable an adequate job to be done, the tri-county sanitary district was looking, not for grants, but for a long-time low-interest loan. The district could repay such a loan, if the carrying charges were not unbearable, out of its receipts, and thus could operate on a sound, businesslike basis.

The bill introduced by the Senator from Arkansas seems made to order to meet demands of this very sort. The great need for such legislation is so obvious that I asked to be included as a sponsor, at the time when the bill was introduced; and I am pleased to have the opportunity to join in the sponsorship of such a measure.

I recall that in the course of the debate on that day, it was emphasized that under the provisions of Senate bill 3497, many community programs, large and small, many already planned, could be started almost immediately, perhaps more quickly even than comparable public-works activities.

In the intervening weeks we have had an opportunity to return to our homes. I cannot speak for other Senators; but in Oregon, I found great interest in this bill, and municipal and county officials are eager to see it enacted.

I should mention also, Mr. President, that calls have come from chamber of commerce officials, members of development and planning groups, and others, who urge full support for Senate bill 3497.

Leaders in one community wanted to know whether a loan for a community college building might be obtained, so that the rapidly growing student body, enrolled in a 2-year college curricula, could have quarters in which to operate. The college has been squeezed into rooms needed by the local high school. But this college, which has a student body, but has no building on campus, may be forced out of existence. I hope Senate bill 3497 will provide the solution for problems of this nature.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter addressed by Mr. Northrop, Roadmaster of Multnomah County, to my administrative assistant; a letter from Mr. Jerome S. Bischoff, a prominent Portland attorney; and a letter from Mr. Walter Randolph, mayor of the city of Nehalem, Oreg.

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

COUNTY OF MULTNOMAH,
BOARD OF COUNTY COMMISSIONERS,
DIVISION OF ROADS AND BRIDGES,
Portland, Oreg., March 17, 1958.

Mr. JOHN C. JONES,
Administrative Assistant to Senator Richard L. Neuberger, United States Senate, Washington, D. C.

DEAR MR. JONES: In connection with all the activity about providing additional public works, it is still our hope that some place along the line perhaps some long-range financing can be arranged for the correction of water pollution, particularly in the installation of sanitary sewers.

There is no need for me to tell you the serious conditions existing in the urban areas adjacent to Portland. The fact of the matter is that a half-hour TV show presented just last week has aroused considerable interest. Again may I say that so far as we are concerned it is not the grants in which we are interested but the long-range financing.

I would also like again to thank you for the opportunity of talking with you while in Washington, particularly at lunch, as well as for the Senator's consideration and time from his busy day.

Respectfully yours,

P. C. NORTHROP,
Roadmaster.

PORTLAND, OREG., *February 28, 1958.*

Hon. RICHARD L. NEUBERGER,
United States Senator for Oregon, Washington, D. C.

DEAR SENATOR NEUBERGER: One of the pressing problems in the Portland metropolitan area and in all metropolitan areas which are rapidly expanding, is the need of adequate financing for governmental services such as sewage disposal.

In Portland a tricounty authority has been formed between the county commissioners of Washington, Clackamas, and Multnomah Counties to handle this problem, but the authority finds itself without funds other than piecemeal small Federal grants to conduct its work. The technical people in the authority feel that they could operate on the basis of a single overall agency and could service the debt of substantial size to build main trunkline interceptors and trunkline sewers, together with a sewage-disposal plant on the basis of service charges and taxation.

It is my understanding that there is considerable discussion about a large public-works program at the present time to take up the slack in business. This would present a fine opportunity for financing of a pressing problem in the Portland area on a basis which would provide for repayment to the Federal Government over a long period of time if adequate loan funds could be established to the tricounty authority and all municipal authorities of like nature for such projects.

With kindest personal regards.

Sincerely,

JEROME S. BISCHOFF,
Attorney at Law.

CITY OF NEHALEM,
Nehalem, Oreg., April 10, 1958.

Mr. PATRICK HEALY, Jr.,
Executive Director of American Municipal Association, Washington, D.C.

DEAR MR. HEALY: It has been brought to our attention by Mr. Herman Kehril, Executive Secretary of the League of Oregon Cities, that the city of Nehalem might possibly be eligible for a long-term loan from the Federal Government.

The purpose of said loan would be to finish the municipal city hall and fire department building already under construction. The building is being constructed of concrete blocks, and the first-floor foundation has been completed. This much of the construction has been completed through the efforts of the local citizens volunteer labor, money, and materials.

Due to the fact that the city has a very low assessed value, it is impossible to sell a bond issue for a sufficient amount to finance the completion of the building. This building is urgently needed, particularly the fire department. The city's volunteer fire department renders service in an approximate area of 25 miles of heavily populated farming and beach communities.

If possible the city would like to borrow, on a long-term loan, $20,000 to complete the building. Such a loan would greatly help the unemployment situation, which has been particularly bad, in a logging and lumbering area such as ours.

Should the city be eligible for said loan we would greatly appreciate information as to the proper procedure, forms, etc., needed.

Thank you for your help in this matter.

Very truly yours,

WALTER RANDOLPH,
Mayor.

Mr. NEUBERGER. Mr. President, at this time I should like to ask several questions, if the Senator from Arkansas is willing to have me do so.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The Senate will be in order; conversations among the attachés in the rear of the Chamber will cease.

Mr. NEUBERGER. I thank the Presiding Officer for his characteristic courtesy.

Mr. President, let me say that I have just returned from visiting my home State for approximately 10 days. During that time I found very widespread interest in the measure which has been introduced and sponsored by the able Senator from Arkansas. That is particularly true in Oregon, because Oregon has been afflicted, not only recently, but during the past 4 years, with nearly the highest unemployment rate in the Nation. Therefore, the people of Oregon have a very profound interest and desire in having people put to work at useful undertakings.

To begin with, I wish to say that during my recent visit to Oregon, I met many persons who share the feeling of the Senator from Arkansas, namely, that the interest rate under the bill before us is, if anything, too high, and certainly it should not be increased or made higher—as the Senator from Arkansas has just pointed out so cogently to the Senate.

In the course of my visits to various Oregon communities, I found considerable confusion regarding the projects which would be eligible to receive loans under the Community Facilities Act.

I should like to ask the Senator from Arkansas three questions which have been asked me about projects pending in Oregon.

For instance, in Rockaway, Oreg., a famous seacoast resort community, I was asked whether loans under this measure would be available for the reconstruction of a local waterworks, presently in need of repair.

Mr. FULBRIGHT. I certainly would think so. I do not know how there could be much doubt about that.

In that connection, let me read the language appearing on page 8.

Mr. NEUBERGER. I would appreciate having the Senator from Arkansas do so.

Mr. FULBRIGHT. I read, from page 8, the following, which is subsection (b) of section 205:

(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—

I think the word "water," as used there, certainly would cover the case the Senator from Oregon has mentioned.

I read further from page 8—

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.

That is very broad, I should say.

Mr. NEUBERGER. I can see that it is extremely comprehensive.

The following question was put to me in the city of Nahalem, Oreg.: Whether this assistance would be available for the construction of a city hall and fire department buildings. Obviously, that question has been answered by the language the Senator from Arkansas has just read, as it appears on page 8 of the bill.

Mr. FULBRIGHT. That is correct.

Mr. NEUBERGER. I should like to ask one other question. It relates to a somewhat more marginal matter; and it may be covered, or included by reference or implication, by the language which appears on page 8; or perhaps it is outside the scope of that language.

In Bend, Oreg., the officials of the Central Oregon Community College wish to know whether the bill introduced by the Senator from Arkansas can provide for such loans for the construction of junior college or community college buildings which are operated and financed by the city of Bend, Oreg.

Mr. FULBRIGHT. It is a public body; in other words, the community itself would be the borrower; is that correct?

Mr. NEUBERGER. That is correct. It is a public college, and is open to everyone who can qualify educationally; and the college is financed and operated by the local school district itself.

Mr. FULBRIGHT. It is my opinion that, under this language, it also would qualify.

Mr. NEUBERGER. I should like to ask the Senator one ancillary question which was put to me from Bend, Oreg. Could a municipality or school district secure a loan under the bill to build or to rebuild an athletic field or grandstand?

Mr. FULBRIGHT. I should think so. It is a part of the public-school system. Understand, this is not a grant program.

Mr. NEUBERGER. It is a loan program.

Mr. FULBRIGHT. It is entirely a loan program. Those who borrowed would borrow as public bodies. I think they would be qualified to borrow for the purpose the Senator mentions. It is a proper public purpose, in my opinion.

Mr. NEUBERGER. In other words, all the tentative situations I have outlined to the Senator would, in his opinion, be eligible for loans?

Mr. FULBRIGHT. Previously we had a discussion about a courthouse and a city hall, arising from letters sent from Michigan. The question was previously discussed in debate. There was no dissent as to the purpose of the proposed legislation.

Mr. NEUBERGER. I thank the Senator for his courtesy. I am more enthusiastically in favor of his bill than ever.

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

Mr. FULBRIGHT. I yield.

Mr. JAVITS. I had in mind proposing an amendment to include civil-defense facilities. As I read the bill, and as it was read in my office, that category would be excluded, although it might be included in some of its phases, under the words "police and fire protection." I was wondering if the Senator who is sponsoring the bill would care to discuss that matter.

Mr. FULBRIGHT. I discussed that question with the staff. While such facilities are not explicitly included in the bill, I think they would be covered. If the Senator has any doubts about it, I personally would be perfectly willing to accept an amendment to make it explicit, whenever the Senator wished to offer such an amendment. I would be perfectly willing to accept it. If a local community judges that type of facility to be so important that it is willing to undertake to pay for it, and it is for a public purpose, and the community builds it, it ought to be qualified to get a loan for that purpose. I think the language "public police and fire protection facilities" is broad enough to include such facilities; but I have no objection to including the Senator's suggestion explicitly, if he wishes to offer it in the form of an amendment.

Mr. JAVITS. Will the Senator yield for that purpose?

Mr. FULBRIGHT. Yes.

Mr. JAVITS. Mr. President, I call up my amendment, 4-2-58-D, which has been printed.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Is there objection to the consideration of the amendment the Senator from New York is proposing?

Without objection, the clerk will state the amendment offered by the Senator from New York.

The LEGISLATIVE CLERK. It is proposed, on page 8, line 10, after the semicolon, to insert "civil defense facilities."

Mr. JOHNSON of Texas. Mr. President, if the Senator will yield to me before action is taken I should like to suggest the absence of a quorum, with the understanding that he will not lose the floor.

Mr. FULBRIGHT. I am willing to yield for that purpose.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senator from Arkansas may yield to me for the purpose of suggesting the absence of a quorum, with the understanding that he will not lose the floor thereby.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. JOHNSON of Texas. I ask unanimous consent that the Senator from Arkansas may yield to the Senator from New York for a brief statement explaining his amendment, with the understanding that the Senator from Arkansas will keep the floor.

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

Mr. JAVITS. Mr. President, the purpose of my amendment is solely to make civil defense facilities eligible for loans, under the proposed act, within the definition of public works and public facilities.

Of course, Mr. President, a series of reports have been released—the Gaither Report, the Rockefeller Report, the findings of the American Municipal Association, the Budget Message—seeking to emphasize the critical importance of civil defense, especially in terms of radioactive fallout.

If we are to provide help to the communities, so that they may do the jobs we want them to do, we certainly should leave no doubt about the fact that the communities can avail themselves of the provisions of law which affect so critically a municipal protection such as civil defense.

I am grateful to the Senator from Arkansas for his willingness to see the bill clarified in this manner, and I hope very much the amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from New York [Mr. JAVITS].

The amendment was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] for himself and other Senators.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield for a question.

Mr. THYE. Mr. President, I wish to propound a question to the Senator from Arkansas relative to the amendment which is lying on the desk, identified as 4-3-58-A. I offered the amendment to the bill S. 3497.

If the Senator will yield for the purpose, I should like to make a brief explanation as to why I offered the amendment, and then ask for the benefit of the Senator's opinion.

Mr. President, I submitted the amendment for the purpose of permitting the making of loans to finance public-school projects. I placed the interest-rate provision at 2 percent. I fully realize that 2 percent is a very low interest rate, and of course, the administration has objected to an interest rate at such a low level.

The reason for offering the amendment was primarily that there are many school districts in the United States which have reached the limit of their bonded indebtedness. We have such school districts in Minnesota. During the past week, the week of the Easter adjournment, I was present at the dedication of a school building in Jeffers, Minn., in the southwestern section of the State. I talked with many educators there, visiting superintendents, school principals, and others from other school districts. I talked especially to the representative from the St. Paul area, who informed me that the school districts there had bonded themselves to the maximum permissible under law. They were unable to build the school facilities necessary to meet the student enrollment of the area. They did not know what they would do in the future.

I felt that the procedure I have suggested would be one way by which we could assist such school districts. I fully realize not all districts could avail themselves of such loans. I know an administrative agency would have to be established, like the State committee which makes an investigation and determination with reference to hospital plans. For instance, in order to obtain funds under the Hill-Burton Act a State committee determines whether the project should be approved. We could have the same type of administrative committee in a State, consisting of the State school board and the administrators, to determine whether the school district had actually bonded itself to the maximum permissible under the law and whether the school district had proper assessments on property within the school district. All such measures could be taken to determine whether a school district was justified in obtaining a loan.

That is the reason why I prepared the amendment. We all know that some school districts are not able to meet the school facility needs of the community. Some districts do not have sufficient property values to meet the needs. Limitations on indebtedness in the districts under State law prohibit the taking of necessary action.

The purpose of the amendment is to meet that situation. I am most anxious to obtain the opinion of the author of the bill, S. 3497, the Senator from Arkansas [Mr. FULBRIGHT], as to whether the amendment would in any sense jeopardize the passage of the bill. If the amendment would threaten the passage of the bill in any way, then, of course, I would withdraw it, because I am in favor of the bill, and I do not wish to propose any amendment which would place the passage of the bill in jeopardy.

Mr. FULBRIGHT. I should like to say to the distinguished Senator from Minnesota that I appreciate his attitude on this matter. As the Senator knows, I am very anxious to help the schools in any way I can.

I sincerely believe the amendment, if it were to be adopted, would jeopardize the passage of the bill itself. I should like to help the schools more, and I think the schools certainly need help more than any public activity in the country.

The Senator knows that we already have a fight on our hands to get a 3 percent interest rate. The amendment I am offering is aimed at reducing the interest rate to 3 percent. I certainly hope the Senator can find it possible to withdraw his amendment, because I really believe the adoption of the amendment would jeopardize the passage of the bill.

Perhaps the Senator can find another way, through separate legislation, to deal with the schools in a more generous manner. With reference to the particular bill now under consideration, I hope the Senator will not press for the adoption of his amendment.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. THYE. The 2-percent interest-rate provision, as I stated, was suggested simply as a figure to discuss, so that if it were felt desirable we could agree to a higher interest rate.

I am happy to know the distinguished author of S. 3497 in principle supports the belief there is a need to provide some funds for school districts which are faced with the problem of inability to raise funds because of bonded indebtedness being up to the maximum permissible and because they lack sufficient property values. I am encouraged by the Senator's statement that the matter could possibly be approached by means of the consideration of another bill.

I conceived this idea a year ago, at the time the school construction bill found itself confronted with various objections and the passage of that bill was foreclosed. I realized some schools could not meet their construction needs. For that reason I was studying and exploring avenues to try to find a way to assist the schools.

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

Mr. THYE. I will yield, if it is permitted.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. FULBRIGHT. Mr. President, I yielded to the Senator from Minnesota.

Mr. THYE. If I may, I should like to yield to the Senator from Connecticut.

Mr. FULBRIGHT. I yield to the Senator for that purpose.

Mr. BUSH. What the Senator from Minnesota has stated prompted me to

ask him to yield. I am very much interested in what the Senator said about assistance to education. I think the bill under consideration does not give adequate recognition to that matter.

I believe the whole problem of education has been ignored by the Congress, both last year and this year, and we should not pass a bill of this kind without giving some recognition to the crying need for assistance in the field of education. I think this help should be given toward classroom construction, which would afford as good an opportunity for creating jobs as the building of sewers, waterworks, roads, dams, or anything else.

For that reason I wish to say to the Senator, and have it in the RECORD for the information of other Senators, that I have sent to the desk an amendment which provides that half of the authorization under the bill, whatever it may be when it is completed, shall be devoted to loans to communities for the purpose of classroom construction.

I feel that that is more important, in the light of the hearings before the Armed Services Committee, and in the light of the testimony of Dr. Teller, Dr. Vannevar Bush, and other expert witnesses, than the matter of sewers, waterworks, or assistance to communities for other public works, even though they may be very much needed.

In view of the fact that we are "behind the eight-ball" in the field of education, and are continually getting farther behind it, at a time when we can least afford to do so, it seems to me that we should not pass a bill of this kind without emphasizing the need in the field of education and setting aside a substantial portion of this authorization for aid in classroom construction. I do not think I could support the Senator's 2 percent amendment, but I do solicit the Senator's thought on the question of setting aside half the authorization in the bill for aid in classroom construction.

I thank the Senator from Arkansas very much for yielding.

Mr. THYE. Mr. President, will the Senator further yield?

Mr. FULBRIGHT. I yield.

Mr. THYE. In reply to the remarks of the Senator from Connecticut, let me say that I have felt strongly that there were certain school districts in the United States which needed some assistance from the Federal Government.

During the time when I was serving as Governor of my own State, a fund was provided by the State legislature, to be administered by the Governor and other constitutional officers, on the basis that if a school district proved its need for additional assistance from the State, we were authorized to grant aid.

In that field I had considerable experience with school districts which had bonded themselves to the maximum extent permissible under the law, and yet were unable to provide the children with the educational opportunities which were afforded other children in the same county or State.

Because of that administrative function, I have always felt that we on the national level did not recognize that school districts in certain areas of the Nation were confronted with such a situation. Some of the States were unable to cope with the problem. In that field I felt that we could assist. Inasmuch as the school construction bill failed last year, I thought that such an authorization as is embodied in my amendment would be one way of taking care of school districts which had insufficient classroom facilities to meet the school needs of the community.

However, if such an amendment would jeopardize the pending bill, S. 3497, as the distinguished Senator from Arkansas has suggested, I would be reluctant to offer it. I would be more inclined to accept the proposal in the bill, and later, with respect to the other program, go through the proper channels and try to have it enacted on its own merits. I would go through the channels of proper committee hearings. I am vitally concerned that funds be provided for the school districts which have inadequate revenue, regardless of how earnestly they may endeavor to meet the school needs of the community.

I have talked with the author of the bill, the Senator from Arkansas [Mr. FULBRIGHT]. As a result of my discussions with him, I have feared that he has certain reservations and fears concerning my proposal. I am reluctant to involve the bill in such a way as to jeopardize its passage. I withdraw my amendment, but I stand strongly in support of the principle embodied in the amendment.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Of course, the Senator's amendment is not before the Senate. The mere fact that the Senator from Minnesota has indicated that he will not request consideration for his amendment automatically disposes of it.

Mr. THYE. My reason for saying I withdraw the amendment is that I do not want it to be recognized as a possible amendment for later consideration.

Mr. FULBRIGHT. I thank the Senator from Minnesota for his attitude in this connection. I assure him that I have great sympathy with his objective, and I should like to promote it.

Mr. POTTER. Mr. President, will the Senator from Araknsas yield to me?

Mr. FULBRIGHT. I yield.

Mr. POTTER. I wish to ask the Senator from Arkansas a question so that at least we may establish the legislative history. I wish to ascertain whether or not a certain situation would be covered by the terms of the bill.

The City Council of Grand Rapids has established what is known as the Grand Rapids Marketing Authority, which was originally authorized by the State of Michigan.

The problem is the establishment of a marketing facility. At the present time it is impossible to obtain private financing to take care of the facility.

Under the terms of the bill I am sure that the marketing authority would be an agency authorized to borrow money, as provided on page 4, line 15. The language is:

> At the request of a municipality or other political subdivision—

And so forth. I assume that the Grand Rapids Marketing Authority would be a subdivision of a municipality. It is the creation of a municipality. Is that the interpretation of the Senator from Arkansas?

Mr. FULBRIGHT. From what the Senator has said, I should agree with him. It seems to me that the purpose for which the money would be used would clearly qualify under subparagraph (b) on page 8. I should say that it would be a very narrow-minded administrator who would not accept it as a qualified authority.

Mr. POTTER. Referring to subparagraph (b) on page 8, particularly as related to public buildings, I should say that language would be inclusive enough to cover the situation which I have mentioned.

Mr. FULBRIGHT. That is correct.

Mr. POTTER. If there is any doubt about it, I ask the distinguished chairman to include marketing facilities among the criteria.

Mr. FULBRIGHT. I have no objection, except that I do not believe we could name all the items we intend to be included. The language in subsection (b) on page 8, line 10, reads "and other public utility facilities."

In line 12 is the language "and other public buildings."

The facility to which the Senator refers is certainly one or the other. It is either a public building or a public utility.

The only question in my mind—and I do not think it is serious—is raised by the language on page 4—"or other political subdivision." I do not know enough about the facility which the Senator has mentioned, which has been created by the city. If it is a political subdivision, I think there is no question that it qualifies under the provision to which I have referred.

Mr. POTTER. Under our State law, before a city can establish such an authority, whatever the type may be, the State Legislature must authorize it. That has been done in this case. The City Commission, a public body, established a Public Marketing Authority. Such public authority has the right to borrow money with which to operate this particular public facility.

Mr. FULBRIGHT. Let me invite attention to another section. My attention was diverted to the section which the Senator from Michigan mentioned.

I refer to section 202, near the bottom of page 2. I believe it will be found that that section makes it much clearer that the agency referred to would qualify. I believe there is no question that it would.

The provision reads:

> 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.

Mr. POTTER. That is correct.

Mr. FULBRIGHT. I believe that language makes it perfectly clear that the

case referred to by the Senator would be covered.

Mr. POTTER. I thank the Senator from Arkansas.

Mr. FULBRIGHT. I had intended to mention one other case, the case which makes even more persuasive my argument that the interest rate should be fixed at 3 percent. I have reference to the Mutual Security loans—four of them—in the amount of $111 million made to Yugoslavia, at the 3-percent rate.

Mr. President, considering all the elements involved in the particular situation, in addition to the worthy purposes for which this bill was introduced, the 3-percent interest rate would clearly bring a much greater response on the part of municipalities than would a 3½-percent rate. I believe that some building would be started on some projects, such as water services, and so forth, by the smaller communities under a 3½-percent rate. Although there would be some under the 3½-percent rate, I believe there would be an immediate impulse to our economy from a 3-percent rate, which I believe would be much preferable. I sincerely urge the Senate to accept the amendment and to make the interest rate 3 percent.

Mr. CLARK. Mr. President, I shall support the amendment offered by the distinguished Senator from Arkansas, and also the bill to which the amendment is proposed.

Those of my colleagues who have been studying, as I have been, the weekly reports of the Department of Labor on insured unemployment will have noticed that Pennsylvania has been consistently high on the list.

This is due in part to the long-term decline of employment in the coal industry, on which the Commonwealth of Pennsylvania has so long depended. It is due, secondly, to the fact that Pennsylvania is a manufacturing State—one of the centers of the steel industry—and manufacturing has been particularly hard hit in the recession.

The last official estimate of total unemployment in the Commonwealth of Pennsylvania was 488,000, the highest figure since the great depression which began in the 1930's.

The pending community facilities bill proposes precisely the kind of action which, in my judgment, the Congress should take. Almost every community in our land has need of vital public works—highways, schools, water and sewage projects and so forth—which should go forward in any case. Now, when private spending and investment have fallen off, is the time to push ahead such a public-works program.

Last year I heard repeatedly on this floor that public works should be postponed because to spend then would be inflationary. I submit that this is precisely the time when postponed public works should be undertaken. This is exactly the time when we should go ahead with all deferred public works, not only to aid employment, but also to create wealth by providing needed public facilities.

Mr. President, I become a little impatient when I hear public works referred to as "make work" projects, or "boondoggling," or "leaf-raking." These projects are nothing of the sort. They create new wealth. They make it possible for businesses to expand and prosper.

Mr. President, to determine how much effect the pending bill would have in Pennsylvania, I addressed a letter to the mayor or burgess of each of our incorporated communities. I asked these local officials to list the public works which their communities needed to build, and to indicate whether or not the passage of S. 3497 would facilitate the construction of such projects.

The returns are coming in to my office daily. So far, more than 50 communities have replied. Almost overwhelmingly they state that the passage of the bill would enable them to finance public facilities which they could not otherwise undertake. The great majority of the communities reporting fall in the 1,000 to 10,000 population group, the very ones the bill would most particularly help.

The total number of projects proposed by these communities that itemize their plans is 109, or an average of just over two projects for each reporting community. The total cost of the planned projects is in excess of $50 million.

In response to my question of whether savings could be achieved in financing these projects if S. 3497 were enacted, the answers ranged from one-half of 1 percent to 3 percent to the one word "immeasurably." These translated into dollar figures represent from 25 percent to about 60 percent of the total project cost. Those are very large savings indeed. They were estimated on the basis of the 3 percent interest rate in the original bill, but even if the rate remains at 3½ percent—which I profoundly hope it will not—the savings will still be very substantial.

Many of the communities will not be able to go ahead with these needed projects unless the pending bill is passed.

Let me repeat, Mr. President, that these are not unnecessary or make-work projects. They are not schemes concocted to fight an imaginary recession. They are real projects, long needed, long deferred, and if their construction can be accelerated, then in addition to their accomplishment as civic necessities, they will also, by a fortunate coincidence, furnish employment at a time when it is needed most.

I should like to quote from a few of the letters from Pennsylvania mayors, burgesses, and other officials.

Theodore R. Hall, president of Borough Council of Hughesville:

Bill as proposed, vitally needed at once.

Merrill W. Wray, president, McVeytown Borough Council:

I wish to highly commend you and your colleagues for the sound and straight thinking that has gone into the framing of your bill.

If enacted into law, this bill could do more to help innumerable small communities provide badly needed facilities for themselves than the P. W. A., or other such agencies, ever did.

Our community and surrounding areas, have long been in desperate need of a water and sewerage system. Under present State law the task of financing this complete system has been deemed insurmountable.

The passage of this or similar bill is our only hope of securing these desperately needed facilities.

Samuel R. DiFrancesco, solicitor, Council of the Borough of Franklin:

There are a number of municipal projects which the Borough would like to undertake, and I am sure that it would not only be a relief to the borough but likewise would provide some form of employment to those who are presently unemployed.

Dan Stahlman, burgess, South Bethlehem:

These communities need help badly.

R. D. Foss, burgess, Karns City:

There is a definite need for all of these facilities which could not be built at this time without the bill.

Thomas Bearfield, burgess, East Brady:

A bill such as this is needed for small communities.

H. Norman Fishel, burgess, Red Lion:

I am positive with financial help we can aid in relieving some of the existing unemployment in our borough, and stimulate business to a degree that will benefit all concerned.

William E. Casey, secretary, Borough of Perryopolis:

Such a measure as you contemplate is God sent to the borough.

E. F. McGuire, burgess, Wilmore:

We are much interested in S. 3497. It would be a lifesaver for our communities.

Clyde E. Adams, burgess of Emsworth Borough:

We are overjoyed at the opportunity S. 3497 gives us at a time when we can most use it. We have a sewerage problem and street problem, which we must take care of as soon as possible. While we are solvent, we have only 3,200 people. Thank you for being intelligent enough to come to our assistance.

Walter K. Smith, borough manager, New Holland:

I believe this type of action will greatly aid municipal projects by bringing down interest rates.

Herman W. Herrmann, burgess, Borough of Green Tree:

With adequate low-rate financing assured, we could get going on this (a $425,000 recreation center) project as soon as plans could be prepared and contracts awarded.

Mr. President, these are only a few of many replies I have received from many conscientious mayors and burgesses of municipalities in Pennsylvania, who are anxious to have their communities move forward by financing these very much needed facilities, which they are unable to proceed with because they cannot obtain the necessary credit.

I hope the Senate will restore the interest rate which was contained in the original bill, in order to save the communities unnecessary interest expense, and that thus our own people will be

placed on the same basis as that on which the people of various foreign countries are placed by our aid programs.

I have been and shall continue to be a strong and earnest advocate of mutual security and loans at low rates of interest. Surely, if we can afford such interest rates for our friends abroad, we can afford them for our own citizens at home.

I hope the amendment will be adopted and the bill will be passed by the Senate.

Mr. PROXMIRE. Mr. President, I am very glad to cosponsor the amendment now being considered by the Senate. At first, I thought this bill might not be of particular or specific interest to the State of Wisconsin, particularly to the larger cities. However, I have corresponded with the mayors of Wisconsin communities, and I have been very pleasantly surprised by the replies.

I should like to summarize the response that I have had so far, and then I should like to put the letters in the RECORD. First, there has been no opposition to the bill at all. On the contrary, even those communities which cannot see any immediate benefits to themselves in the bill are in favor of it and think that it will be generally useful in combating the recession and accomplishing worthwhile projects.

Second, many planned projects are simply awaiting financing. In the city of South Milwaukee, for example—that is not the city of Milwaukee; South Milwaukee is a city of some 12,000 population—are four much needed projects, which will cost more than $5 million in all, which must be started in the next couple of years.

The city of Beloit has eight projects, to cost more than $3 million, which must be started at once.

A reading of these letters will show the number of schools, libraries, fire stations, streets, waterworks, bridges, and river improvements these Wisconsin communities are prepared to go ahead with if they can find the money.

The third point made abundantly clear by the letters is that the interest rate has to be low to be of much help. That is why I am very happy to support the amendment of the author of the bill, the distinguished Senator from Arkansas. Many communities can get loans at rates lower than the 3½ percent proposed in the amendment placed on the bill in the committee. At the same time, the interest rate is going up.

The city of Marinette, for example, was able to finance a school in 1955 at an interest rate of 1⅝ percent. Each project since that time has been financed at a rate higher than the one before, with a water utility revenue bond issue this year going at 3.62 percent.

I think the simple facts of community financing which are documented in these letters argue very strongly for a 3 percent interest rate as the highest rate which we should consider.

Mr. President, I ask unanimous consent that the letters I have received from the mayors of Wisconsin communities be printed at this point in the RECORD.

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

BELOIT, WIS., *April 7, 1958.*

Hon. WILLIAM PROXMIRE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: This concerns your letter of April 1, in conjunction with a bill being passed which should help cities because of the present economic situation.

Not having any idea how you wish to have this detailed we give you the projects as follows:

Health

1. Sanitary trunk lines	$100,000.00
2. Improvement of Rock River	110,000.00
	210,000.00

Public buildings and property

1. Fire station	$90,000.00
2. Library	280,000.00
3. School additions	500,000.00
4. Park development and recreation	135,000.00
	1,005,000.00

Highways and streets

1. Improving and widening program	$976,000.00
2. New bridge	875,000.00

This will give you some idea the amount of projects the city could produce and they are all essential. However, it would be a good many years before we could finance them ourselves.

Thank you for your interest and in case the legislation is passed we would appreciate you advising us how to file the necessary applications.

Sincerely yours,
A. D. TELFER, *City Manager.*

CITY OF SOUTH MILWAUKEE, WIS.,
April 7, 1958.

Senator WILLIAM PROXMIRE,
Member, Select Committee on Small Business, Senate Building, Washington, D. C.

DEAR SENATOR PROXMIRE: The copy of bill S. 3497 and your letter are of great interest to us in South Milwaukee.

We have prepared a 10-year development program for this community and, as may others at this time, have difficulty in financing these projects. I believe the bill as presented can be of assistance in getting local projects going and, for that reason, feel that you are proceeding in the right direction.

We have four basic projects with which we are now faced and many which will require action in the next 2 or 3 years. The immediate projects which must be started in 1958 to 1960 are as follows with estimated costs:

1. New senior high school	$3,250,000
2. Library expansion	220,000
3. Main trunk sewer extension	400,000
4. Permanent road program	1,500,000

We have a total building program requirement over the next 8 to 10 years of approximately $7½ million. Planning for the above projects is well under way. If Federal loans at reasonable rates are available for these projects, it will be of great assistance to our people here.

Very truly yours,
W. P. ATKINSON, *Mayor.*

CITY OF FOND DU LAC, WIS.,
April 7, 1958.

Hon. WILLIAM PROXMIRE,
United States Senate,
Washington, D. C.

DEAR BILL: I have been informed by our various department heads that there are many projects which the city of Fond du Lac could consider borrowing money for through the Government at approximately a 3 percent rate of interest.

In listing some of the above, and starting out with highway and sidewalk projects, I have been informed by the Commissioner in charge of streets and highways that this project alone in doing the job as it should be done would cost in the neighborhood of $6 million.

We also have a tremendous amount of sewer work to be done but could not give an estimate of this work without engineering help.

Fond du Lac is badly in need of a library expansion program, the present library being built in 1904 with no library building program since that date.

In regard to schools, the bulge will be starting next year in our junior high school. Our present building can accommodate some 900 children and should increase to 1,200 to 1,300 in the next 2 years. We are badly in need of a new structure for the school years including the 7th, 8th, and 9th grades.

As far as hospitals are concerned, the city of Fond du Lac itself can handle the public here, but because of the surrounding towns and villages, the city of North Fond du Lac could certainly use an additional small hospital to take the load off of our privately-owned hospital in the city of Fond du Lac.

Our engineering department is ready for a street project immediately and can be ready within a very short time on the library project.

Bill, unless we have further delay in the courts, we are now anticipating a $4 million water expansion project. I notice that you do not list or request information regarding many municipalities owning their own water plants. Might there be any way possible that Federal aid could also be used for water expansion projects?

I should also like to add that I look forward to reading your report from Washington with much anxiety and hope you continue keeping the people informed as to what you are doing and the projects you are working on in Washington. I believe that your votes surely show that you are in favor of helping the majority of the people that you represent.

I want to thank you very much for your consideration in behalf of our community and the citizens of Fond du Lac.

Sincerely,
VICTOR P. CAPELLE, *Mayor.*

CITY OF LA CROSSE, WIS.,
April 10, 1958.

Hon. WILLIAM PROXMIRE,
United States Senate,
Washington, D. C.

DEAR SENATOR PROXMIRE: First a most sincere thank you for your interest in alleviating the unemployment problem that presently has afflicted the Nation, our State, and of prime concern to me, La Crosse. Your counsel and cooperation are most appreciated.

In reply to your letter of April 1, 1958, concerning legislation in the Senate to make low-interest loans available to local governments for public works projects, I submit the following thinking:

There, no doubt, is need for this type of legislation by certain municipalities. As far as La Crosse is concerned we presently are able to secure monies for public works projects at a lower interest rate than proposed by your legislation. There would be no need for Federal money by La Crosse until our bonding limits are reached, which I hope will never be the case.

There is one exception. An electrified service building at Myrick Park for the municipal water works, estimated cost $348,000, construction of which it is estimated would save the city's water utility $45,000 annually. Securing of the aforementioned funds for the project from the proposed bill

authorization would save our bonding power for other capital improvements at a slight saving in interest rate as against monies secured by revenue bonds.

As we discussed personally in my office, I suggest that you make provision in this bill for Federal aid for special qualified urban arterial street construction where three or more Federal or State highways are interconnected by such arterial streets and traffic conditions on the highways connected are improved by diversion of traffic therefrom.

I am suggesting the aid would be 50 percent of the total cost of structures, sub and final grading, drains, and surfacing. Loans to be available for the balance of 50 percent under the proposed bill. Specific directions should be made to the Bureau of Public Roads to adopt a more lenient interpretation of urban aid qualification.

You might consider, also, loans for projects of land reclamation and development within urban confines. The developed land to be for residential and, or, industrial uses.

Again, a most sincere thank you for your interest, consideration, and aid provided La Crosse by your office.

Best personal regards.

Sincerely,

MILO G. KNUTSON, *Mayor.*

CITY OF MERRILL, WIS.,
April 9, 1958.

WILLIAM PROXMIRE,
United States Senator,
United States Senate,
Washington, D. C.

DEAR SENATOR: I was pleased upon receiving your letter asking for a listing of potential public works projects which will need to be completed in the near future.

You may or may not know that we were forced by the Wisconsin State Board of Health to construct a sewage disposal plant, at a cost in excess of $600,000. This plant was built about 2 years ago, and is financed by revenue bonds over a period of 40 years. All revenue bonds are allocated to the bond payments for 40 years. Inasmuch as 50 percent of all sewage is still being discharged into the Wisconsin River, the State board of health is becoming insistent on our making the conversions of our storm water from our sanitary sewerage. The costs are variously estimated to be from $1 million to $1½ million for completion.

The voters at the April 1 election passed a referendum asking for a new gymnasium at the high school, and also three units of a grade school in the eastern section of the city. The bond issue for both will amount to $485,000, sewerage conversion $1,500,000, present school indebtedness $300,000, or a total of $2,285,000. Our bonding limit is $2,127,768.

In addition to the above mentioned, we are in urgent need of new bridges to replace two weak bridges across the Wisconsin and Prairie Rivers, at about a total of $200,000; airport strip at about $135,000 and hangar at a cost of $30,000, new fire station combined with city garage and bus barn, double-decked parking lot, for which land has been purchased, about $35,000; paving project on West Main Street and Grand Avenue and Center Avenue. Hope to have Federal and State aid on this cost about $150,000, city share from 15 percent to 25 percent.

Merrill acquired its water utility about 10 years ago, and has been plowing back all of its earnings in an attempt to maintain a modern utility with good water to its people. Many hundreds of thousands of dollars have been spent on this project. I might add that we do not own our electric utility, and that Marshfield earned $291,000 in 1957 on that utility alone. Our industrialists have opposed public ownership, so we have not had that additional source of revenue. I notice the statement from the mayor of Marshfield that they are not in need of Government aid. I hope, however that we may be able to avail ourselves of State and Federal aid which might tend to make the burden more tenable.

Permit me to congratulate you for the interest you are showing and to thank you for your efforts to strengthen the economy. I am sure most small cities such as ours will take the opportunity to participate in a sound financial program at a low interest rate.

May I extend my personal good wishes for your fine efforts, and a further wish for your reelection in November.

Sincerely,

G. B. COTTER, *Mayor.*

ANTIGO PUBLIC SCHOOLS,
Antigo, Wis., April 7, 1958.

Senator WILLIAM PROXMIRE,
United States Senate,
Washington, D. C.

DEAR SENATOR PROXMIRE: As you already know, a vast amount of concern has developed in our Nation, relative to two factors—the recession and education.

In following the newspapers and magazines very closely the past 2 months, I have noticed very little attention being given to the possibility of school construction. However, a great deal has been said, and I believe action taken, in regard to an expanded highway program and other public works as one means of combating the recession.

It would seem to me that some serious thought should be given to school construction which would assist in the development of a better educational program and help fight recession at the same time. Wouldn't it be a good suggestion for the Federal Government to provide loans to schools at a very low rate of interest for a longer than usual time for repayment? For example, in our own situation, we could borrow from the Federal Government a considerable sum of money and pay it back over a 40-year period. With a low rate of interest we could start building our badly needed elementary schools immediately. It would also seem to me that a Federal fund of this type, as it is paid back, would create a perpetual fund, which would not be the case in an outright Federal grant or gift.

I have been greatly concerned for some time about school districts where the area lacks sufficient wealth to do a top job in the education of our boys and girls.

I can't see too many flaws in a program of this type due to the fact that it would be nothing more than a loan, but it would certainly help many communities in this great country of ours.

If we are going to compete successfully in this cold war with the Russians, we certainly need a sound educational system in addition to curbing any serious recession.

Very truly yours,

MORGAN POULLETTE,
Superintendent.

CITY OF EAU CLAIRE, WIS.,
April 11,1958.

The Honorable WILLIAM PROXMIRE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR PROXMIRE: Thanks very much for your letter of March 29 concerning the proposed legislation which would enable cities to borrow funds from the Federal Government for construction purposes.

Our city council discussed this at their meeting of April 9 and concluded that the proposed legislation would probably have no effect on our long-range construction program. We have a very good credit rating in Eau Claire and have never experienced any difficulty in borrowing money at interest rates which are substantially better than average.

It was the unanimous feeling of the city council that in all probability the city of Eau Claire would never need to avail itself of the provisions of this proposed legislation. We appreciated very much, however, your interest in municipal affairs and we will be most pleased to make available to you any information concerning Eau Clair's governmental problems which you might need in your work in the Senate.

Best wishes.

Sincerely yours,

D. G. WEIFORD, *City Manager.*

CITY OF JANESVILLE, WIS.
April 7, 1958.

The Honorable WILLIAM PROXMIRE,
The United States Senate,
Washington, D. C.

DEAR SIR: Thank you for your letter of March 29, regarding your proposed legislation, "Public Facility Loans." Inasmuch as Mr. Lustig will be out of the city until April 14, I am taking the liberty of acknowledging your letter.

Janesville recently initiated a $1⅛ million public improvement program for which financing has been arranged.

Needless to say, Janesville like many other communities has numerous long range capital improvement projects in the thinking and drawing board stages which we are constantly reanalyzing.

Naturally a bill as you propose with maximum interest rates substantially less than a community would normally have to pay would be of great benefit to many municipalities. Your prosed legislation certainly has much merit and you may be assured that we in Janesville will follow the progress on your bill with the keenest of interest.

Very truly yours,

KARL A. SAMEK,
Assistant to the City Manager.

CITY OF MARINETTE, WIS.,
April 7, 1958.

Hon. WILLIAM PROXMIRE,
United States Senator,
Washington, D. C.

DEAR MR. PROXMIRE: In reply to your request for information regarding the city of Marinette's status on public works projects now being considered and that could be considered if there were sufficient funds available at a desirable interest rate, as proposed by bill S. 3497, I herewith submit the following information.

The city has not experienced too great a problem in the last several years on interest rates. The following projects have been financed since 1955.

Purpose	Rate	Year of issue	Original amount	Term
	Percent			*Years*
New Park School	1⅞	1955	$302,000	7
Public works improvements	2¼	1956	164,500	10
Merryman School	3¼	1957	425,000	13
Street construction	3	1958	100,000	10
Water utility (revenue bonds)	3.62	1958	470,000	20

The big problem in our case, which probably is common in most municipalities, is that of finding added sources of revenue to repay for the financing of an expanded capital improvement.

I appreciate the fact that this report may not give you a yes or no answer, as to the effect of S. 3497 in relation to the present problems, however, I hope that it will serve the purpose as to the information that you desired. Many thanks for the opportunity to state our position and problems.

Respectfully,

K. W. GARDINER, *City Manager.*

CITY OF MARSHFIELD, WIS.,
April 4, 1958.

Senator WILLIAM PROXMIRE,
United States Senate,
Washington, D. C.

DEAR SENATOR PROXMIRE: I have read thoroughly your bill S. 3497, and am sure this bill may be of great benefit to certain sections of the Nation. In Marshfield, however, we have an annual program of street paving, sanitary and storm sewers, on a pay-as-you-go basis. We have just completed two new grade schools, which makes our school system adequate for sometime to come.

We have had a request with the CAB for scheduled airline service for about 3 years, and our request has been recommended by the public council, the examiner, and the Wisconsin State Aeronautics Commission. The case has been heard by the CAB and they are to report in 60 days. In the meantime there has been a new Federal appropriation of funds for airport development, but Marshfield was left off the list in Wisconsin. Melvin Laird wired me the other day that the case was to be reopened and we could expect a favorable report by the end of this month. We are expecting a favorable report from the CAB on our request for scheduled service, and everything has been done that can be done in this regard, but if there is anything you can do in helping to get us additional funds for our airport development it will be greatly appreciated.

Again I think your bill S. 3497 is a good bill and should be passed, even though we have no particular need of it at the present time.

Thanks for writing me, and best of luck to you in your campaign.

Very sincerely,

GLEN MADISON, *Mayor.*

OFFICE OF THE MAYOR,
Milwaukee, April 7, 1958.

The Honorable WILLIAM PROXMIRE,
United States Senate, Senate Office Building, Washington, D. C.

DEAR SENATOR PROXMIRE: This acknowledges your letter of April 1, 1958, in which you announce your interest in legislation to assist local governments to engage in public works.

I am having your letter analyzed by a special committee set up by the common council on public works. This committee can supply you with a list of projects which the city needs. Such a list has already been prepared.

It is my hope that some effective legislation will result which can assist us in meeting some of our needed public works, especially since it appears that our city income will be down because of tax sources drying up.

Yours truly,

FRANK P. ZEIDLER,
Mayor.

CITY OF OSHKOSH, WIS.,
April 7, 1958.

The Honorable WILLIAM PROXMIRE,
United States Senate,
Washington, D. C.

DEAR SENATOR PROXMIRE: Your letter asks for a listing of projects that we contemplate and you ask also how this program would affect our city.

I am now engaged in a study of a public works, capital-improvements program that the city could well undertake during the next 15 or 20 years. I will have that work completed, I expect, by April 30.

Oshkosh enjoys a very favorable credit rating and could probably market its bonds very readily at 3 percent or less. I note that today's issue of the United States Municipal News states that the bill you mention as introduced established an interest rate of 3 percent but that as it is now before the Senate the interest rate will be 3½ percent.

We are really getting into a lot of construction of water facilities, storm sewers, schools, and similar facilities under our own impetus. We will probably be getting into the construction of an off-street parking facility before long. As of now, I cannot see that this bill would do us much good at this time; I will try to study the matter further as I work through the month of April on the project that I described early in this letter and give you some later thoughts if you should wish me to.

Yours very truly,

H. S. THORGRIMSEN,
City Manager.

CITY OF PLATTEVILLE,
Platteville, Wis., April 10, 1958.

Senator WILLIAM PROXMIRE,
United States Senate,
Washington, D. C.

DEAR SENATOR: In answer to your letter dated April 1, concerning your legislation on low interest loans to local governments, will say that it is too late for us to be of much interest.

The city wthin the past year has issued $675,000 school bonds and $200,000 for hospital addition and street improvements. The interest on the latter was about 2.92 percent.

These bonds cover an addition to the high school, and one elementary school, an addition to our municpal hospital, and the balance for general street improvement.

I will be interested in hearing how you come out on this proposed legislation.

Truly,

R. E. BALLIETTE.

PORTAGE, WIS., *April 5, 1958.*

Senator WILLIAM PROXMIRE,
Washington, D. C.

DEAR SENATOR PROXMIRE: With reference to your letter relative to loans for public works programs I wish to state that this city several years ago proposed to the President that a revolving fund be set up and added to annually for the purpose of making loans to local districts for school construction at no interest.

Such a program in my opinion would mushroom a construction program of unprecedented magnitude and would revive our economy.

At the end of a 20-year amortization period the fund would be returned to the Government, there would be no handouts, and the Government through increased company and labor payrolls would benefit by income tax returns.

There would be no waste of effort or money on a local level and the work would go forward immediately. The school children and our education program would get a much needed lift.

Your consideration of this suggestion would be appreciated.

Yours very truly,

ARTHUR W. SWANSON,
Mayor of Portage.

CITY OF RACINE,
Racine, Wis., April 8, 1958.

Hon. WILLIAM PROXMIRE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR PROXMIRE: Relative to your letter of April 1 regarding your cosponsored legislation in the Senate to make low-interest loans available to local governments for public works projects, please be advised that I believe that this type of legislation has a great deal of merit.

For your information, we do not have the completed plans ready as of this date for any particular public works improvements, but we are currently studying a long-range program of capital improvements, such as fire stations, police station, rebuilding of Main Street Bridge, widening of cross-city thoroughfares and increasing the facilities of our local university extension building. This long-range program will not be completed until some time later in the year, but I believe that it will be adopted by the common council within certain ramifications. Bonds will then have to be sold to take care of the financing of this program. If our Federal Government could loan us this money at a low rate of interest, it certainly would be of great benefit to us.

It is my own personal belief that the Federal Government should go further in regard to some of the municipal improvements that make for increased employment and pay a certain amount of the cost outright. Part of the remainder of the money could be then loaned at low interest rates to communities which are in need of it.

We are loaning money to foreign governments knowing that we will never get it back; thus, I cannot see why our own municipal governments which are burdened with heavy real estate taxes should not be treated the same way.

I want to thank you for writing regarding this matter, and would appreciate it very much if you would keep us informed as to the progress of this bill. I believe we may like to consider taking advantage of it.

With kindest personal regards, I remain

Sincerely yours,

JACK H. HUMBLE, *Mayor.*

CITY OF TOMAH,
Tomah, Wis., April 7, 1958.

Senator WILLIAM E. PROXMIRE,
United States Senate,
Washington, D. C.

DEAR SENATOR PROXMIRE: It appears that the Congress may shortly pass a new public works program with Federal grants and/or Federal loans with low interest rates for public works.

Since Tomah is a Federal impact area because of the Veterans' Hospital, Camp McCoy, and Camp Williams with considerable unemployment, there might be reason at the proper time to apply for one or both of the foregoing.

Is it possible for you at this time to furnish the name of the person I should contact in the regional office in Chicago, or possibly there might be a representative in Madison.

Very truly yours,

E. J. MCKEAN, *Mayor-Elect.*

CITY OF WEST ALLIS, WIS.,
April 8, 1958,

Senator WILLIAM PROXMIRE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR PROXMIRE: In reply to your letter of March 29, 1958, I want to state that West Allis is moving forward with an accelerated public-works and public-improvement program for the current year at an estimated cost of $3 million. A portion of this amount will be reimbursed by Federal and State highway funds and by benefit assessments. Financing for the remaining amount has been made available by a general obligation bond issue.

I have previously informed you of our municipal hospital project which will cost $6 million. Construction is to start on August 1. We have received a commitment for $500,000 as an allocation provided under the Federal Hill-Burton Act. An additional $1½ million has been requested under the Federal act, thus leaving $4 million to be raised by a general-obligation bond issue.

While the proposed bill to make Federal money available for financing municipal public construction on a loan basis will not help our current program, I do think that the measure has merit, in that it should stimulate public-construction work in communities which presently do not have programs under way.

With kind regards, I remain

Sincerely yours,

ARNOLD H. KLENTZ, *Mayor.*

CITY OF WHITEWATER,
Whitewater, Wis., April 5, 1958.

The Honorable WILLIAM PROXMIRE,
The United States Senate,
Washington, D. C.

DEAR SENATOR PROXMIRE: The bill to make low interest loans available to local governments would be of little benefit to the city of Whitewater unless such loans were not a general obligation of the city. On April 1, 1958, the voters in Whitewater approved an $850,000 bond issue for a new high school. When these bonds are sold we will be within $105,000 of our legal debt limit.

We could start construction on a $500,000 street improvement project within 90 days if we had a debt margin sufficient to cover the loan.

It seems to me that legislative changes at the State level would be necessary before your bill would benefit the city of Whitewater. If you know of any way around our debt limit I shall be pleased to hear from you.

Very truly yours,

C. F. TRINKLE, *City Manager.*

CITY OF RIPON, WIS.,
April 5, 1958.

The Honorable WILLIAM PROXMIRE,
Senator from Wisconsin,
Washington, D. C.

MY DEAR SENATOR: Your very welcome letter and copy of the bill that you are cosponsoring in behalf of aiding local governments in securing low-interest loans for public-works projects is before me. And may I first commend you and the good Senators who are jointly introducing this measure to aid local governments that have needed aid and have thus long been dominated over by big governments and, in this case, largely by the States. This bill will serve as a most helpful source in aiding local governments both in construction matters and likewise useful in alleviating a reasonable amount of unemployment that was caused by the present recession.

This past week, before the receipt of your letter, the council approved and contracted local loans from two banks besides contracting the contractors for a new city garage. This is, however, too late to come under a Federal loan grant. We are also supposedly under an urban highway improvement project. This involves a $275,000 financially long-term loan which we do not have locally because of a costly school bond setup which was made before my administration which involved a bond limit indebtedness of $600,000; part of which was paid but now is up because of the new city garage to be erected. We are working on this urban highway improvement project with the State highway department at Waukesha but somehow have had little response.

We are also hopeful that in the not too distant years that we may have an addition to our public library which was erected in about 1905 under then my grandfather's administration. The city at that time being about 3,000 and now a possible 7,000 when the next census is taken. The library is badly crowded for room and 2 days ago the library board, before your letter arrived, engaged an architect to draw up several potential designs in the event we may finance it later. The present library is still in good condition and well constructed although sadly today lacking in room. It is on a prominent corner of the city and is still in excellent appearance although designed during a period that was largely ornamental and practical at that time.

Our city hall is truly a firetrap and it is my fear that fire may destroy it at any time. We have hope that someday we may finance a new one that is more practical. To put much money in it for improvements is a great waste of money and as it likewise houses our fire department and jail, it today is quite impractical as a fire station because of limited space, and added equipment.

It is supposed that almost every city our size has the same problem and it is an excellent thought by you Senators that we, back home, are in dire need for considerations of this kind. And I am sure that we who pay large Federal taxes in comparison to our earning capacity, would be indeed grateful if we could see before our own eyes, in our own communities, something to show for our Federal tax dollars.

Aside from the business of your letter, I am enclosing two clippings from our recent local paper. One was relative to the recent charter centennial affair which we were sorry that you were unable to attend. The other is a clipping of the city election of last Tuesday which shows 3 of the 4 aldermen to be elected. The new council will have two new councilmen. I am sure that LESTER JOHNSON will be interested to know that I will be back for another term as mayor.

In closing, I hope that I have sufficiently given you the information that you required. We in Ripon are hopeful that your bill is to be adopted by the Congress and anything that we can do to further its passage I am sure it will be done.

With deep appreciation for what you are doing for us, and I am deeply certain that every citizen of Ripon concurs, with best wishes.

Faithfully yours,

JOHN H. WILSON.

Mr. PROXMIRE. Mr. President, I wish to read some of the specific points which are made in the letters. In the letter from City Manager A. D. Telfer in Beloit, Wis., it is pointed out that health facilities totaling $210,000 might very well be constructed, and soon, if the bill were passed; that public buildings and property, including a fire station, a library, school additions, and park development and recreation, totaling more than $1 million, could be constructed; that highways and streets, the cost totaling about $1,800,000, could be constructed if the bill were passed.

In the city of South Milwaukee, the projects which could be constructed include a new senior high school, at an estimated cost of $3,250,000; a library expansion, $220,000; a main trunk sewer extension, $400,000; and a permanent road program, $1,500,000.

I should like to read excerpts from the letter I received from the city of Fond du Lac. It was sent to me by Victor P. Capelle, the mayor:

I have been informed by our various department heads that there are many projects which the city of Fond du Lac could consider borrowing money for through the Government at approximately a 3-percent rate of interest.

In listing some of the above, and starting out with highway and sidewalk projects, I have been informed by the commissioner in charge of streets and highways that this project alone in doing the job as it should be done would cost in the neighborhood of $6 million.

* * * * *

Fond du Lac is badly in need of a library expansion program, the present library being built in 1904, with no library building program since that date.

In regard to schools, the bulge will be starting next year in our junior high school. Our present building can accommodate some 900 children and should increase to 1,200 to 1,300 in the next 2 years. We are badly in need of a new structure for the school years including the seventh, eighth, and ninth grades.

* * * * *

Our engineering department is ready for a street project immediately and can be ready within a very short time on the library project.

From the city of La Crosse, Wis., Mayor Milo G. Knutson writes:

An electrified service building at Myrick Park for the municipal waterworks, estimated cost $348,000, construction of which it is estimated would save the city's water utility $45,000 annually.

From Mayor Chief John B. Cotter, of the city of Merrill, Wis., I read as follows:

You may or may not know that we were forced by the Wisconsin State Board of Health to construct a sewage disposal plant at a cost in excess of $600,000. This plant was built about 2 years ago, and is financed by revenue bonds over a period of 40 years. All sewer revenues are allocated to the bond payments for 40 years. Inasmuch as 50 percent of all sewage is still being discharged into the Wisconsin River, the State board of health is becoming insistent on our making the conversions of our storm water from our sanitary sewage. The costs are variously estimated to be from $1 million to $1,500,000 for completion.

The voters at the April 1 election passed a referendum asking for a new gymnasium at the high school, and also three units of a grade school in the eastern section of the city. The bond issue for both will amount to $485,000, sewage conversion $1,500,000, present school indebtedness $300,000, or a total of $2,285,000.

Mr. President, from these letters I have been reading the amounts involved. But it would not be hard to translate the amounts into the jobs which would become a reality very quickly.

A distinguished son of Wisconsin, Sumner Slichter, who is a professor at Harvard University and is one of the outstanding economists of the Nation, a very conservative economist, who has felt all along that the recession is one which, in the first place, would not be very serious or significant, and who thinks it will not last very long—even he says that in the third quarter of this year more than 5 million persons will still be unemployed.

The fact is that in Wisconsin about 100,000 persons are out of work. Many States are in worse condition than Wisconsin; and, of course, some States are better off. Wisconsin is about average. However, the people of Wisconsin recognize very clearly and very emphatically the great tragedy of unemployment. They realize that the bill would indeed put people to work, and that the work, as I have indicated from a reading of the letters and in my statement, would be very constructive employment.

Mr. President, what is more constructive than the building of an American school? What is more vital or necessary than the building of sanitation facilities to protect the health of Americans? This will be an investment; it will not be wasteful or extravagant spending. It will increase the assets, the wealth of this country.

I point out that the great value of the bill is that it will decentralize the construction of public works. It will not provide for the kind of PWA program which has been attacked in the past, rightly or wrongly, as a gigantic bureaucracy to give the party in power political

influence. The bill will provide for decentralization. The individual cities themselves will do the constructing.

A great advantage, too, is that the bill will not cost the Federal taxpayers any money, because the money for the construction of the projects will be loaned. The Senator from Arkansas has, it seems to me, made a definitive point in defense of the 3 percent interest rate, namely, that 3 percent is exactly what the money will cost the Federal Government. It does not make any sense to me to have the Federal Government expect to make a profit, which is what the 3½ percent rate would provide, when such a profit would discourage the construction of badly needed and rapidly needed public works.

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

Mr. PROXMIRE. I yield.

Mr. FULBRIGHT. Under the formula we are using, the cost to the Government will be 2¾ percent. We are allowing in the program a full one-fourth percent for administrative expense. So I think we are going pretty far to make certain that the rate will return not only the cost of the money, but also the cost of administration.

Mr. PROXMIRE. That is correct. The Senator from Arkansas makes an excellent point. The rate allows one-fourth of 1 percent for all additional costs besides the cost of the money itself. So clearly the Federal Government will not lose anything under the bill, and it will not make an unconscionable profit from the rate of 3½ percent.

At present, I believe, the act now in the law provides for 4⅛ percent to 4⅝ percent, thus enabling the Federal Government to make a very handsome profit, but which means that very few public construction projects, which are vitally necessary to put people to work, are being accomplished.

The bill would be an excellent bill under any circumstances. It would be a fine bill, most defensible, even if there were full employment. It would mean that projects which are exceedingly important would be built, projects which might not be built otherwise.

The man who is best qualified, perhaps, to say what the municipalities can or cannot do is Patrick Healy, Jr., executive director of the American Municipal Association, who testified before the Committee on Banking and Currency, as follows:

> 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.

The issue which has been before the country and before Congress is that while a tax cut may not be so beneficial in ending the recession, because it would not put money into the pockets of the unemployed, and it could not guarantee that work would be done and jobs would be created, it would have the advantage of putting money into the economy quickly, while it would require 8 or 9 months or perhaps a year for public works to get under way.

The bill before the Senate would provide work promptly, within a few days. It seems to me to make all the sense in the world. I enthusiastically support the bill and the excellent amendment offered by the distinguished Senator from Arkansas.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] for himself and other Senators.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. 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.

Mr. CASE of New Jersey obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator from New Jersey yield, without losing the floor?

Mr. CASE of New Jersey. I yield.

Mr. DIRKSEN. I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from New Jersey yield?

Mr. CASE of New Jersey. Mr. President, I have no objection——

Mr. KNOWLAND. With the understanding that the Senator from New Jersey does not lose his right to the floor, I think the yeas and nays should be ordered.

Mr. CASE of New Jersey. I yield with that understanding.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were not ordered.

Mr. KNOWLAND. Mr. President, with the consent of the Senator from New Jersey, and without losing his right to the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the amendment. I ask all Senators to join me in the request.

The yeas and nays were ordered.

Mr. CASE of New Jersey. Mr. President, the pending amendment would provide that the interest rate to be charged on loans made under the bill, if it should become law, would be the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt at the time.

The bill as it was reported by the committee provides that the interest would be the current average yield on outstanding marketable obligations of comparable maturities.

In my judgment, the bill as reported by the committee is the way, for the purposes of this particular program, the matter should stand.

I believe that it is a desirable bill and that it is directed to meet a necessary and useful purpose. I do not believe that it has the highest priority, by any means, insofar as its claim upon our attention or upon the resources of the United States is concerned; but it has a useful purpose. I do not believe, however, that there is any reason for the United States of America to lend money for these particular purposes at a rate less than the Government itself will have to pay.

The suggestion has been made that that point of view represents a concern for the owners of money rather than for the users. I suggest that contention is utterly false, Mr. President. It is not the owners of money who will be affected by the amendment. The owners of money who lend it to the United States will still get, on comparable maturities, the same rate that they are getting now. Similarly, it is altogether false to suggest those holding that viewpoint are against the interests of users of money.

The amendment is against the interests of the taxpayers of the United States in the sense that it would provide a subsidy paid by them to all the communities which might borrow money under this particular program.

What are we talking about? One-half of 1 percent. Is there any reason why, because a community is unfortunate enough not to be able to borrow money in the open market, it should get an interest rate more favorable than the United States Government itself has to pay for the use of money? Because the United States will have to pay for the money it lends the rate charged for comparable maturities which the United States must borrow, and borrow from the same people.

The suggestion is made that we cannot explain to the people of the United States why it may be in the interest of the United States to lend money abroad more cheaply than the United States Government is willing to lend money to the municipalities and States of the United States.

Mr. President, if that is an impossibility then this country is in a very bad way. If it is impossible for the people of the United States to understand the reason for loans at lower interest rates—even for grants—to foreign countries, and to understand such loans and grants are in the interest of the United States, an interest having the highest priority, then indeed the security of the United States is at a low ebb.

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

Mr. CASE of New Jersey. I yield to the Senator from New York.

Mr. JAVITS. I think the argument the Senator is making—with which I thoroughly agree—is equally applicable to the point which is often made that we should not help India build a dam be-

cause we are not helping some State in the United States build a dam.

Mr. CASE of New Jersey. Because it is a dam.

Mr. JAVITS. That is correct. The Senator's test instead is, it is not a question of what may be desirable anywhere, but what contributes to the interest of our country. I thoroughly agree with the Senator.

Mr. CASE of New Jersey. This is all very clear.

I suggest, Mr. President, that it was not only unfair and an unwarranted reflection upon the intelligence of the people of the United States to suggest that they will not understand the matter, but that it is a highly dubious practice, indeed, to introduce any such suggestion as that into a debate on the floor of the Senate.

Mr. President, during the course of the debate on the amendment, the Senator from Minnesota raised the possibility of his offering an amendment which would provide that loans made under the bill to school districts, or for the construction of school facilities, should be made at the interest rate of 2 percent. There was a colloquy between the Senator from Minnesota [Mr. THYE] and the Senator from Arkansas [Mr. FULBRIGHT] as to the advisability of the offering of such an amendment, and the Senator from Minnesota, after a discussion with the Senator from Arkansas, announced that as he then saw the matter he would not offer the amendment because he was afraid, on advice of the Senator from Arkansas, that to do so might imperil the passage of the bill.

Mr. President, I am sorry the Senator from Minnesota made such an announcement—I hope it is not irrevocable—before at least having a chance to listen to a suggestion from the other side.

Opposed as I am to the provision of the amendment which is pending, which would require that money be loaned by the United States of America to the cities and towns and to the school districts of the States at a lower interest rate than the Government would be required to pay, I still believe it is quite in order for the Government, for the particular purpose of building public schools, to lend money at a lower rate of interest than the Government itself has to pay—at 2 percent interest, interest-free loans, or even under a grant program for such a purpose.

We should be very careful, Mr. President, before we put the credit of the United States indiscriminately in other hands for a wide variety of purposes which may seem desirable locally. We should, however, be very anxious to help achieve, by a Federal program of low-rate loans and grants, purposes which are in the interests of all the people of the United States, such as the construction of schools.

In my judgment, Mr. President, to put a provision in the bill that loans for school purposes should bear only a 2-percent interest rate would not jeopardize passage of the bill. Such a provision would serve a very useful purpose, and it would be in line with the correct formula, which is that we ought to be applying and giving priorities to first things in the national interest first.

I see no reason, Mr. President, on any of the grounds which have been stated on the floor, or any other arguments which have been made, for the United States of America to lend money at 3-percent interest, for which money it has to pay 3½ percent, unless there is an overriding national interest in the objective for which the loan is to be made. I do not find that to be true, Mr. President, as to the construction of many useful local projects such as port facilities, terminal facilities, city halls, police stations, and so forth, although I would very much find it to be true for the purpose of construction of schools and other specific things. I very much find it to be in the interest of the United States when loans are made abroad in the interest of keeping independent countries free and independent, for the security of this country, even though the things built in the foreign country may be dams, roads, or sewer facilities.

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

Mr. CASE of New Jersey. I yield.

Mr. THYE. Mr. President, I was unfortunately called to the cloakroom to take a long-distance telephone call, and therefore I was not present in the Chamber throughout the entire speech of my distinguished friend, the Senator from New Jersey. I just heard reference to myself and Minnesota as I reentered the Chamber.

If the Senator will permit me to make a further statement, my reason for withdrawing the amendment was that I had been informed by a few Members, even on this side of the aisle, that they were concerned about whether the adoption of the amendment might place the passage of the bill in jeopardy. I also discussed the matter in person with the author of the bill, the Senator from Arkansas [Mr. FULBRIGHT], and he likewise voiced a concern that if we brought the school question into the bill it might jeopardize the passage of the bill.

I have instructed my staff to proceed in conjunction with the Legislative Drafting Service to prepare the same proposal in bill form, and I shall introduce the bill. I prepared such a bill a year ago, and I have studied the matter very carefully. I find that there is some need for certain changes in the draft I prepared a year ago. I submitted a copy of the draft at that time to Mr. Folsom, of the Department of Health, Education, and Welfare, and I also submitted copies to other persons.

I feel very strongly about the matter, Mr. President; and I note now my distinguished colleague, the Senator from New Jersey, shares my firm conviction that there is a need to assist the school districts which are confronted with an inability to raise the funds necessary to provide school facilities which our schoolchildren should have in order that they may be properly educated.

I thank the distinguished Senator for yielding to me so that I might make this comment, since my name had been referred to, because I had withdrawn my amendment. I have stated my reasons for withdrawing the amendment.

I shall certainly embody the amendment in a legislative bill, with the hope that it will be passed.

Mr. CASE of New Jersey. I appreciate the comment by my distinguished colleague from Minnesota. I still hope he will keep an open mind on the question whether he will or will not offer the amendment to the bill.

If the Senator offers the amendment, he will not be introducing the school question to the bill. The school question is in the bill. The bill permits—and I think it should—loans to school districts for the construction of public school buildings. The Senator will not be introducing the subject by presenting his amendment. All he will be doing is saying that such loans, when made for that purpose, shall carry an interest rate of only 2 percent. The Senator will be adding nothing to jeopardize the passage of the bill, in my honest judgment, and, Mr. President, unless he offers the amendment he will be missing perhaps the only chance in the present session or in many sessions of Congress to come to get any school aid legislation through the Senate of the United States.

I yield the floor, Mr. President.

Mr. PROXMIRE and Mr. BUSH addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin [Mr. PROXMIRE] is recognized.

Mr. PROXMIRE. I should like to reply to the distinguished Senator from New Jersey. I regret that I did not have an opportunity to ask the Senator to yield.

I wish to point out to the Senator from New Jersey that it seems to me the testimony given before our committee was that the cost of the money to the United States Government would be 2¾ percent, and that the one-quarter percent in addition, which brings the total to 3 percent, represents the cost of administering the program.

While I recognize that a 3½ percent interest rate would embrace the cost of comparable maturities, it would seem to me far more reasonable to loan the money at the total cost to the Government, because it is proper for the Federal Government to borrow 90-day money, 6-month money, or 1-year money, and to loan it for a longer term to local governments. It seems to me such a procedure is perfectly moral and perfectly logical. It appeals to me as being much wiser for the Federal Government to loan the money on the basis of its total overall cost than to stick to the specific and precise maturities.

I should appreciate it very much if the distinguished Senator from New Jersey would tell me on what ground he disputes the position I take.

Mr. CASE of New Jersey. If the Senator will yield, I shall endeavor to restate my position.

We can argue this question until the cows come home, but it seems to me that we can hardly say that when the United States lends for a period of 40 or 50 years, money which it must borrow on a short-term, 90-day basis, it is not giving a subsidy of some sort.

Mr. PROXMIRE. I point out that the interest rate is flexible. It is not strictly

3 percent, as the distinguished Senator recognizes. It may go higher if the Federal Government must borrow at a higher interest rate.

Mr. CASE of New Jersey. It may go higher or it may go lower. It is flexible. But the question, in general, is whether, for this purpose, the Government should lend money for 40 or 50 years on the same basis on which it has been able to borrow short-term money, which, as everyone understands, carries a very low rate, and sometimes none at all. I say that we cannot suggest that in doing so we do not provide a subsidy. The questions is, Is the subsidy for this particular purpose justified?

My position is that, in relation to other claims on the United States taxpayer, the priorities in this bill are relatively low, and do not entitle us to allow the Government to grant this kind of subsidy. If we were to grant it for schools, I should say that we should not only grant this subsidy, but a greater subsidy, in addition to a low interest rate, such as applies to hospitals, dormitories, and other projects.

However, this proposal relates to across-the-board loans to municipalities. The real excuse for the loans is not that the municipalities must pay too much interest. The average rate paid by the United States Government can hardly be called exorbitant. The fact is that the municipalities cannot obtain credit facilities at all. That is the real reason for the program. It ought to be continued and expanded. However, I see no reason for giving it the priority over other claims on the taxpayers which would result from the interest-rate amendment.

Mr. PROXMIRE. It is inconceivable to me that we can call a subsidy something for which the Government does not have to pay any money, and something which does not require additional taxes. It seems to me that one-quarter of 1 percent of the total cost of the money to the Federal Government is ample to cover the cost of the administration.

I congratulate the distinguished Senator from New Jersey for the excellent point he made with respect to foreign loans. The Senator from New York supported his position. I think it is a good point. I think it is perfectly proper for the Federal Government to make loans to foreign countries at low rates. On the other hand, it seems to me that it is perfectly proper to raise the point that there are few things on earth more important than providing employment for people in America who are out of work.

I also invite the attention of the Senator from New Jersey to the fact that the bill does provide for schools. It is true that it provides for other things, but it provides for schools, and it provides constructive, useful jobs for American men and women who cannot now find jobs.

I think the distinguished Senator from New Jersey was 100 percent right when he said that it was important that this Congress provide aid for education. I could not agree with him more completely. I shall be happy to join with him in any kind of sound proposal to provide aid for education, which is America's greatest weakness.

The distinguished Senator from Minnesota [Mr. THYE] was correct, in my judgment, when he stated that he had decided to introduce a bill to provide 2 percent money for education. I shall be happy to join him in sponsoring such a bill.

Mr. BUSH. Mr. President, I congratulate the Senator from New Jersey upon his very clear exposition of this issue and the conclusions he has reached. He has pointed out very clearly that in the amendment offered by the distinguished Senator from Arkansas [Mr. FULBRIGHT] we have nothing more nor less than a hidden subsidy in the interest rate, which his formula would provide for borrowers under the terms of the bill.

His amendment would put back into the bill language which was eliminated by the committee. The committee agreed that the proper interest rate to charge for long-term loans was the interest rate paid by the United States for long-term loans. That position at least has a reasonable amount of equity in it.

In other words, if we pay 3½ percent today for money, that might well be the basic rate, plus one-eighth of 1 percent for expenses, or whatever is necessary for administration in relending the money under the provisions of a bill of this kind, if any program of this kind is a good program. I have some grave doubts as to many portions of the bill. At least we desire to see it in as good a form as possible from the standpoint of the taxpayers, if it is to become law.

Under the amendment of the Senator from Arkansas, we go back, not to the rate which the Government pays for long-term money, but the rate which the Government pays for short-term money. I believe that the average maturity of the outstanding debt of the United States at the present time is less than 4 years.

What is Government credit worth today on the basis of an average maturity of 4 years? I have before me the Wall Street Journal bond quotations as of today. They show, for example, a United States Treasury note maturing in August 1962, a little more than 4 years away, and the yield is 2.45. In other words, today 4¼-year money is worth 2.45 percent to the United States Government. That is what it must pay for 4¼-year money. I think the average maturity of our outstanding debt is a little less than 4 years.

I note here a maturity of August 1961, with respect to which the rate quoted is 2.27 percent.

What the amendment of the Senator from Arkansas would do would be to pool these rates and make short-term rates available to the long-term borrower, who, under the provisions of the bill, might borrow for 40 years. As I have said, I believe that 3-year money or 4-year money now yields 2.25 to 2.45 percent.

I consider the proposal of the Senator from Arkansas nothing more nor less than an indirect subsidy. While I am not opposed to all subsidies, I believe they should be clearly set forth and understood. This is not the place where we should be providing a subsidy. If communities are to borrow money from the United States, I believe they should pay the United States at least the interest rate which the taxpayers of the country must support with their taxes.

I therefore urge the Senate to reject the amendment of the Senator from Arkansas and to support the language in the bill as reported by the committee.

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

Mr. BUSH. I yield.

Mr. THYE. What is the interest rate on a 25-year loan?

Mr. BUSH. At the present time?

Mr. THYE. Yes.

Mr. BUSH. It is about 2.75 percent.

Mr. THYE. Is the rate on a 30-year loan somewhat comparable?

Mr. BUSH. The rate on a 30-year loan today is of the order of 3.25 percent.

Mr. THYE. Most of these loans would be on the basis of quite a number of years, would they not?

Mr. BUSH. The bill provides for 40-year loans; and it is likely that communities would avail themselves of as long a term as possible, so as to keep the annual payoff at the lowest point.

Mr. THYE. Mr. President, will the Senator further yield?

Mr. BUSH. I am delighted to yield.

Mr. THYE. This question has been uppermost in my mind, and that is one reason why I withdrew my own amendment. We were discussing the legal phase of the amendment. I have been advised by some attorneys that if a school district had reached its permissible maximum borrowing authority under State law, even though we should provide a fund from which it might borrow, State laws would deny the school district the opportunity of coming to the Federal Treasury for assistance, because even though the school district might come to the Federal Treasury, if it had already borrowed the maximum permissible under State law, it would be foreclosed.

That is the legal question which has come up in my mind and which has bothered me considerably, particularly with reference to my own amendment. That is why I shall explore the subject further by introducing a bill, so that I may determine just how we can help a school district which has reached the maximum of its indebtedness permissible under the State law or constitution.

In other words, how can we help such communities? They are the ones who are actually distressed. Those are the school districts which need help. We are concerned with communities which have assessed the maximum levy on the appraisal value of the property. If the property has been properly assessed, those communities have reached their legal debt ceilings. They are the ones who need help, because they would be denied relief under their own State laws. All of this involves a legal question which I hope we can answer, with the assistance of legally trained minds as well as with the assistance of the legislative drafting service.

Mr. BUSH. I must say to the Senator that he has raised a question with which I do not feel I am competent to

deal. I do not believe the bill would grant any relief so far as a community which has exhausted its borrowing capacity is concerned. That is a question for consideration by the legislature of the State in which such a community is located. I do not believe we can come to grips with that kind of situation.

Mr. THYE. The Senator's amendment proposes that one-half of the funds provided in the act shall be available for school construction. Is that correct?

Mr. BUSH. The Senator is correct.

Mr. THYE. But the Senator's proposal does not relate to a school district which has bonded itself to its maximum permissible amount under State law. Is that correct?

Mr. BUSH. The Senator is correct.

Mr. THYE. The Senator would make available a fund obtained from the sale of bonds to the general public, and the Senator would permit a community to obtain a loan in order that such a community could proceed with the construction of a school. What I am trying to do is reach the school district which has gone to the maximum permissible amount under State law, but which still does not have the required school facilities with which to meet the needs of its schoolchildren residing within the district.

Mr. BUSH. I appreciate the Senator's concern for communities which find themselves in such a situation. It is most unfortunate. No doubt there are numerous communities which have exhausted their credit. However, they must go to their State legislatures for relief. I do not see how Congress can help them, because they cannot legally borrow in their own State, if I understand the Senator's description of the communities he has in mind. Therefore, I do not believe we can help such a community in the pending bill.

Mr. THYE. That is the important question which concerns me most.

Mr. BUSH. I am sure that it is a very important question, although I would not say it is the most important question. There are other important questions, too, involved with classroom deficits, but I do not believe that we should be inhibited from doing something constructive in that direction merely because we cannot be all-inclusive in our efforts to help communities which need assistance.

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

Mr. BUSH. I yield to my friend, the Senator from Maine.

Mr. PAYNE. The concern which has been voiced by the Senator from Minnesota [Mr. THYE] is one which has been expressed many times by many people. Of course, a community must abide by the provisions of the State law and the State constitution. If such a community has exhausted its bonding capacity, it, of course, can get no assistance insofar as the loan provision is concerned, as it relates to the Federal Government. The only measure of assistance which could be provided would be through a grant-in-aid program, if Congress ever came to the point of enacting such a law.

Mr. BUSH. The Senator will recall that the administration sent such a bill to Congress, but for some reason or other our friends across the aisle would not let the bill come to a vote.

Mr. PAYNE. It seems that such bills are bottled up and never see the light of day. They remain bottled up in committee.

There is one other point I should like to make, because I know the Senator from Connecticut wishes the RECORD to be correct. During the discussion, he said that 40 years was the limit under the bill. Actually the bill provides for 50 years, plus 2 years of grace in the event a community is in a financial position which permits it to ask for a 2-year period in order to start making payments on amortization.

Mr. BUSH. I thank the Senator for correcting me on that point. I did have in mind 40 years because I have an amendment at the desk, which I may call up later, which would reduce the term to 40 years. However, the Senator is quite right; the bill refers to 50 years.

Mr. President, I have about concluded what I have to say on the measure. I believe it would be a very unfortunate precedent for us to adopt, and would be a very unfair measure to the taxpayers of the United States. I therefore hope that the amendment of my good friend, the chairman of the Committee on Banking and Currency, will be rejected and that we may retain in the bill the language as reported by the committee with reference to the interest rates.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The Senator will state it.

Mr. CASE of South Dakota. Is an appropriation in order on the pending bill? Is it in order to provide an appropriation on the pending bill? Does the Committee on Banking and Currency have jurisdiction to report an appropriation bill or a bill carrying an appropriation?

The PRESIDING OFFICER. All appropriations for the support of the Government come under the jurisdiction of the Committee on Appropriations.

Mr. CASE of South Dakota. I desire to make the point of order that the language on page 7, taken in connection with the language on page 6, relative to the revolving fund, constitutes an appropriation. I invite the Chair's attention to the fact that on page 6, line 14, the bill reads:

> 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.

I invite the attention of the Chair to the fact that that makes it mandatory for the Secretary of the Treasury to take money out of the Treasury to purchase any notes or other obligations of the Administrator.

Then I also invite the attention of the Chair to the fact that the language on page 7, in the committee amendment, beginning at line 8, reads:

> (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.

The point of order I make is that when the Secretary has no choice in the matter of the purchase of the obligations, and it is then provided that $400 million of such funds shall constitute a revolving fund, money is taken from the Treasury, and that must constitute an appropriation.

The Constitution provides that no money shall be taken from the Treasury of the United States except by appropriate resolution. This, in effect, is an appropriation. The creation of a revolving fund of $400 million takes money from the Treasury, and provides for no return of it. Therefore, it constitutes an appropriation, in my judgment.

Now I yield to the Senator from Maine.

Mr. PAYNE. I point out that the provisions of the bill are exactly the same, in text, if I am correct—and I am willing to stand corrected—as the Community Facilities Act which has been in effect for approximately 4 years. The act of 1954, if I recall correctly, provided for a $100 million revolving fund. In other words, all the money available under that act continues to be a revolving fund.

The provisions of the pending bill as originally introduced called for the entire $2 billion to be a revolving fund. In committee, I offered an amendment, first, to strike the $2 billion, so as to reduce the amount to $1 billion and then to make the revolving fund to be not in excess of $400 million.

I point out to the Senator from South Dakota that Congress has already enacted legislation of a comparable nature, so far as the revolving fund feature is concerned.

Mr. CASE of South Dakota. I was aware of the fact that the committee report shows the text of the existing law, and I was familiar with the fact, as it has been stated by the Senator from Maine, that the present law provides that a certain portion of the funds shall be a revolving fund.

But the fact that Congress may at some time have enacted a bill, reported under whatever the circumstances were when it was reported, and may have provided an appropriation, does not make it in order to do so again.

The fact that something was done which violated the rules of the Senate or the House of Representatives without a point of order having been made or considered does not create the authority to do something which would be subject to a point of order, and therefore which would have been out of order if the point had been made on the other occasion.

The argument of the Senator from Maine that it is done today to the extent of $100 million, goes to the merits of whether there ought to be a way whereby we can take such action.

I congratulate the Senator from Maine on his amendment in committee, which would reduce the available amount for the revolving fund from a total of $2 billion to $400 million. I think that was a constructive amendment. But the very fact that the Senator from Maine thought it was important or worthwhile to do that would suggest that when it is proposed to change the situation, as of today, and instead of having a $100 million revolving fund, to make it $400 million, a point of order should be made.

There may be merit in having a part of the fund as a revolving fund. But if that is to be done, the amount should be appropriated to the revolving fund. There should be language reported from a legislative committee which would make it in order to authorize an appropriation to the appropriate agency to establish a revolving fund. The proposed appropriation should then be considered by the Committee on Appropriations.

But I submit that so long as the Constitution provides that money shall not be taken from the Treasury except by an appropriation provision, and we have before us a bill which would take money from the Treasury without any choice on the part of the Treasury except to place it in the revolving fund without any provision for its ever getting back into the Treasury, which constitutes an appropriation, the provision consequently should not be reported by the Committee on Banking and Currency.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The question before the Senate is on agreeing to the amendment offered by the Senator from Arkansas for himself and on behalf of other Senators. The Senator from South Dakota makes the point of order that the amendment does not address itself to the pending question. It is the opinion of the Chair that the point of order is not in order at this time, but may be renewed, at which time the pending question will be the point raised by the Senator from South Dakota.

Mr. CASE of South Dakota. I thank the Chair. I will take note of the suggestion, and make the point of order at a later time.

Mr. KEFAUVER obtained the floor.

Mr. MORSE. Mr. President, does the Senator from Tennessee plan to address the Senate at length?

Mr. KEFAUVER. I shall speak on the amendment.

Mr. MORSE. I have what I think is a privileged matter which I wish to bring before the Senate. It concerns an amendment of the House to a District of Columbia bill, an amendment which the Senate committee is willing to accept.

I shall delay presenting the matter until the Senator from Tennessee has finished.

Mr. KEFAUVER. Mr. President, before the Easter adjournment, when the bill was last before the Senate, I joined with the Senator from Arkansas and other Senators in urging that it be passed immediately. I pointed out that the good construction and building season would have been reached and passed before any action was taken on the bill unless it were speeded up.

At that time I placed in the RECORD the correspondence I had had with a number of city and county officials in Tennessee, showing that the bill was urgently needed. However, the bill was not passed. Since the Easter adjournment, I have been flooded with correspondence from my State, almost all of it urging the passage of the measure and outlining individual public works projects which would be pursued in Tennessee should the bill be passed.

The projects which are greatly needed in the public interest include sewage disposal, waterworks, sidewalks, school buildings, municipal buildings, and similar types of construction which must be built. I have been amazed to learn of the great preparation and planning which have already been put into these projects. Many of them are ready to be started immediately if the money could be provided at a reasonable rate of interest, which the bill would provide.

Mr. President, I ask unanimous consent that some of the letters which I have received from mayors, county judges, and other officials in the various cities and counties of Tennessee be printed at this point in the RECORD.

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

CITY OFFICIALS

COMMISSION GOVERNMENT,
Memphis, Tenn., March 28, 1958.

Hon. ESTES KEFAUVER,
United States Senator,
Washington, D. C.

DEAR ESTES: Thank you for your letter dated March 22 regarding the legislation introduced by Senator FULBRIGHT and you.

There probably would be considerable benefit to Memphis because this would undoubtedly help the smaller cities in the Memphis trade area which are not able to borrow at reasonable prices.

So far as Memphis is concerned, we are not up to our legal limit and can borrow money at a lower rate than the one mentioned in your letter. Memphis does have a long list of projects which we would like to get started on if we had more money. We would like to get more matching funds from the Federal Government.

For instance, we are in the midst of a big airport program and we need some more Federal matching funds. I hope that you will support a new airport bill.

We have received approval of four urban-renewal projects but we have another big one which has not as yet been approved because they say they are out of money. Anything you can do to loosen up urban-renewal money will be helpful.

I am going to get Dr. O. W. Hyman, vice president of the University of Tennessee and in charge of the medical school here, to write you about a turndown which we got on a request for some money for a research project out at the city hospital.

I think that it would be good to have some matching funds which could be used for emergency work projects if things do not pick up—something like ALBERT GORE was thinking about.

As said in the beginning of the letter, I believe that your bill would help the smaller cities and this would certainly help Memphis.

Best regards and best wishes. Many thanks.

Yours, truly,

EDMUND ORGILL,
Mayor.

NEWPORT, TENN., *March 28, 1958.*

Hon. ESTES KEFAUVER,
United States Senator,
Washington, D. C.

DEAR SENATOR KEFAUVER: Thank you very much for your letter in regard to your cosponsoring the bill introduced by Senator J. W. FULBRIGHT on low interest rates on loans to the localities for public works projects.

We in Newport are currently considering the building of a sewage disposal plant at a cost of approximately one million dollars. This bill would certainly help us toward building this plant, plus the fact that we need practically everything that you have mentioned in your paragraph.

We are very interested in your bill and would like any additional information that you might send us on this important legislation.

The very best of luck with the bill.

Very truly, your friend,

Dr. W. C. RUBLE, JR.,
Mayor.

SHELBYVILLE, TENN., *March 28, 1958.*

Senator ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: Thank you for your letter of March 22, 1958.

In answer to your query, we now have (1) a new airport under contract (for which we'll soon need an administration building), (2) a $3 million urban renewal project in the final planning stage, (3) a $1,500,000 public housing project in the planning stage, (4) a $1 million sewerage system project in the mill and (5) a public swimming pool (Negro) authorized.

We have an immediate need for a new city hall, new fire hall, new public library, youth center, off-street parking lots, home for the aged, and numerous streets and sidewalks.

You could not have proposed legislation better designed to meet our needs, both for facilities and employment opportunities.

Senator, if the money were available to us, our cost on the above projects would be about $4 million. If the money were available on terms that we could handle we would be prepared to go ahead with these programs on an accelerated basis. (Federal grants would approximately double the amount expended here.)

I sincerely believe that this approach to the recession problem will give maximum benefits for the money spent, as contrasted with make-work PWA type programs.

If we can help you in any way, please let us know.

Yours very truly,

WILLIAM S. RUSSELL,
Mayor of Shelbyville.

CLARKSVILLE, TENN., *March 28, 1958.*

Hon. ESTES KEFAUVER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: I have your letter of March 22, regarding the legislation cosponsored by you to make available low-interest loans to localities for local public works projects.

There are many things which the city of Clarksville needs to do to catch up with its fast growth of the past few years. However, it has been our policy to restrict the borrowing of money in any form to our ability to repay bond issues without the necessity for

increasing the tax rate which is now $2.30 per $100 of evaluation.

At our regular council meeting on March 6, 1958, the council passed an initial resolution authorizing the sale of a total of $550,000 in bonds, $300,000 of which was for extensions of and improvements to our water-distribution system and $250,000 of which was for the payment of the construction of a physical education department for our junior high school. Needless to say, assured interest rates of 3 percent would very definitely be more attractive than the possible 4 plus percent which our bonds will probably sell for.

Sometime in the not too distant future, the city will, of necessity, need to construct a sewerage-disposal plant at a cost in excess of $1 million. We are pledged to the State of Tennessee Stream Pollution Board to begin planning on this project as soon as it is economically feasible to do so. This pledge was made at the time the department of health gave us permission in 1953 to add additional sewerage outfalls (raw sewage) into Cumberland and Red Rivers. Such permission was granted only because of our inability at the time to include the disposal plant in our sewer-expansion plan.

It is my considered opinion that your bill would greatly assist many municipalities in the securing of low-interest money for capital improvements, and I am certain that the city of Clarksville would directly benefit from such a bill in the not too distant future. I will appreciate very much your keeping me advised as to the status of the passage of the bill, and if possible, after its passage, I will appreciate receiving a copy of the bill.

Yours very sincerely,

PAUL M. MCGREGOR,
Mayor.

SWEETWATER, TENN., *April 2, 1958.*

Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: Your genuine interest as manifested by your prompt and detailed reply to my letter concerning the water and sewage project for Sweetwater is greatly appreciated. It is most interesting and encouraging to note how closely our need fits into your proposed legislation.

This legislation would enable us to proceed at once with our project as final plans have been submitted to the department of public health in Nashville for their approval in connection with the Federal grant. (This grant of $129,126 was approved last October as you advised me by wire on October 25, 1957.) You are aware, I am sure, of the necessity of this Federal grant to enable us to continue with our project; and, if we are unable to sell our bonds at any equitable rate of interest, I am afraid that we will lose our Federal grant which in turn would kill our project. This would be disastrous to our town as we now have only a temporary permit to dump raw sewage into the Sweetwater creek.

You will find enclosed the financial report for waterworks and sewerage improvements for the city of Sweetwater prepared by Robert & Co. Associates, our engineers from Atlanta, Ga. You will note that the rate of interest used in these studies is 4¾ percent which will necessitate a high water rate (domestic and industrial), also add a new sewer charge. Your legislation, making funds available at 3 percent, would assure the success of this project which has taken years of time and promotion and which is so needed by Sweetwater and Sweetwater Valley. You are aware that because of these wastes being dumped into the creek, it is a dead stream, filthy and polluted, and disease infested as it runs through farmland and the town of Philadelphia, Tenn., on its way to the Tennessee River.

This difference in interest rates would allow us to set a more equitable rate schedule for both water and sewage. We want to be in a favorable position to attract new industry, which is in line with the State program of halting the outmigration of young people from Tennessee.

Upon the receipt of your letter, I called an informal meeting of the board of commissioners to discuss the needs of our city in the way of needed projects. In your letter you requested that I furnish you a list of projects and the approximate cost of each. We discussed this matter at our meeting and it is the opinion of our commissioners that the following is a list of our needs. Group No. 1 is a list of work that demands immediate attention and on which work can begin immediately if funds are made available. Group No. 2 is a list of needed improvements which will be undertaken as soon as our city is able to finance them.

Group No. 1 project:	
Water and sewage	$625,000
Public streets	30,000
Sidewalks	10,000
Group No. 2 project:	
Garbage disposal	20,000
Recreation facilities	15,000
Public schools	100,000

You will notice in group No. 1, public streets, a need for $30,000. This is for work to repair and seal our existing asphalt streets. The winter has been severe throughout most of the United States and the hard freezes have caused our asphalt streets to crack and crumble so that, unless immediate action is taken to repair this damage, our streets will continue to deteriorate most rapidly, necessitating major street rebuilding. This condition undoubtedly exists in numerous towns and communities throughout the country. Money made available immediately for this purpose will enable us and many others like us to save thousands upon thousands of dollars by preserving our streets and preventing further damage.

From the foregoing, you gather that I feel there is a definite need for the enactment of this proposed legislation and I strongly urge its passage at the earliest possible moment.

Respectfully yours,

JACK C. OATES, JR., *Mayor.*

FAYETTEVILLE, TENN., *March 26, 1958.*

Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: Receipt of your March 22, 1958, letter is herewith respectfully acknowledged.

I read with great interest and concern the meaning and purpose of this new legislation which you have introduced. I can assure you that we here in Fayetteville need and will certainly avail ourselves of assistance from the Federal Government in building and/or repairing our streets, sidewalks, public recreation facilities, etc.

Your interest in these projects is certainly appreciated by the citizens of the many small communities in Tennessee.

With highest personal regards, I am

Respectfully,

FRED I. WOMACK,
Mayor.

SWEETWATER, TENN., *March 28, 1958.*

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

Appreciate your letter of March 22 which has just been received. Proposed new legislation at 3 percent would save the city approximately $100,000 on the water and sewage facilities which could be started within 90 days. Detailed letter will follow immediately.

Gratefully yours,

JACK C. OATES, JR.,
Mayor, City of Sweetwater.

CHATTANOOGA, TENN., *March 28, 1958.*

Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I received your letter of March 22 in regard to the legislature you are cosponsoring with Senator J. W. FULBRIGHT to make available low-interest rates for local public-works projects. I just noticed where Hamilton County sold $1,300,000 worth of general obligation school bonds at an interest rate of 2.88 percent; so, I am sure that a 3-percent-interest rate would not be attractive to Hamilton County.

We are contemplating selling $2 million worth of general obligation bonds, $1 million in school bonds, $500,000 in sewer bonds, and $500,000 worth of hospital bonds to match the Hill-Burton funds on the new hospital wing. We hope to sell these bonds for 3 percent or less and are ready to proceed with these projects as soon as the bond money is available. If our interest rates run over 3 percent, then, certainly, we would be interested in a 3-percent Federal loan.

I am doubtful that the 3-percent money would be of very much benefit to a great many municipalities as most government agencies are carrying all the general obligation bonded indebtedness possible within their tax structure. To help the local municipalities a 3-percent-interest rate is just not very attractive, particularly when they could extend it over a period of 50 years and by the time these bonds were matured you would be paying more interest than the original amount of money you received on the bonds.

There is a tremendous need in this city and State and, I am sure, all over this country for public-works improvement, particularly in the field of education where we could very justifiably spend, and show a need for spending, seven or eight million dollars for new school buildings. It has been my feelings that with the high taxes we are paying the Federal Government it is impossible to shift the responsibility to the local governments and meet the needs of our cities and towns with the 3-percent general-obligation-bond provision.

I have a strong conviction that we need matching funds for a public-works program and a lower interest rate than is proposed in this bill and I just don't believe that money made available at a 3-percent-interest rate would be of very much benefit to us in Chattanooga to help solve our public-works-improvement needs and our unemployment situation.

Where I can see a very substantial benefit would be on the revenue bonds that are issued by the towns and cities for water-facility extensions, sewer works, and disposal plants and in that field we could possibly benefit by the 3-percent-interest rate.

Very truly yours,

P. R. OLGIATI, *Mayor.*

HUMBOLDT, TENN., *March 26, 1958.*

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR ESTES: Received your letter of March 22, 1958, and I certainly think we need something to be done to counteract the great recession that is in our State. West Tennessee is in a critical condition. Never in the history of Humboldt and west Tennessee, to my knowledge, have so many people been in need of jobs. To give you a little example how hungry our people are, I have, to date, approved applications for over 500 families for the surplus food commodities that the

Government is issuing. These families live in Humboldt, and in a radius of 3 to 5 miles around Humboldt.

Humboldt, as other communities, has a backlog of local projects that need to be done, such as sewage disposal, water treatment plant and like everyone else our schools are very crowded in both white and colored. There are other local projects we would like to do if the funds were available, so anything that you and the fine Senator from Arkansas can do to accelerate public works will be certainly welcomed by our community. I am still hoping that some day, in the near future, Milan Arsenal can in some way be reactivated. I believe it would be the lifesaver for our economic situation in this section. I know you are constantly trying to do something about this and know you will do something about it if it is humanly possible.

It is an honor for us to have you as our senior United States Senator, and every citizen in my town knows of the good work that you are doing as our Senator.

Am certainly looking forward to having you and your family during our strawberry festival on May 7, 8, and 9, and we will write you later concerning more of the details about this.

I talked to our good friend, Gayle Malone, and he is doing fine.

Warmest personal regards to you and your family.

Your friend,

L. D. NOWELL, Jr., *Mayor.*

CITY OF SPARTA, TENN., *March 29, 1958.*

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I acknowledge receipt of your letter of March 22.

We have applied for Federal aid for a new sewage system, which is costing around $400,000.

I have appointed a housing authority, and we expect to apply for 50 to 75 units.

We also expect to construct a new city building within the next 3 or 4 years.

Sincerely yours,

BAILEY BOCKMAN,
Mayor.

BRISTOL, TENN., *April 2, 1958.*

Senator ESTES KEFAUVER,
Washington, D. C.

DEAR SENATOR: In accordance with your request of March 22, a list of possible projects is attached.

There is nothing definite that we will make application for all of this, but if the plan is enacted into law, we believe that we will use a large portion.

We do thank you for the opportunity to submit this program to you and with warm regards, we are

Most sincerely,

W. A. S. FURLOW,
Mayor of Bristol.

BRISTOL, TENN., *March 26, 1958.*

Mayor W. A. S. FURLOW,
Bristol, Tenn.

DEAR MAYOR FURLOW: In accordance with your request, I have compiled the following list of public-works projects which, in my opinion, are most urgently needed at this time:

Redevelopment (slum clearance and housing):	
Lynwood Street north to business section between Southern Railroad and Pennsylvania Avenue (estimated cost)	$350,000
Ninth Street to 11th Street between Broad Street and Shelby Street (estimated cost)	225,000
Total	575,000
Street construction:	
Fifth Street from English Street to city limits	130,000
East Cedar Street from Fifth Street to King College	70,000
Holborn Street and Weaver Pike to city limits	50,000
Ninth Street from Wilson Avenue to Weise Street	60,000
Flint Street from 24th Street to city limits	45,000
Windsor Avenue from Anderson Street to Flint Street	30,000
Total	385,000
Sanitary and public safety services:	
Sewer mains, water mains, and pumping station, Bellebrook addition	45,000
Sewer mains and water mains, Haynesfield addition	40,000
Total	85,000
Subfire station in South Bristol	45,000
New city hall, including jail	250,000

Yours very truly,

MAURICE CONN,
Commissioner.

EAST RIDGE, TENN., *April 1, 1958.*

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: Mayor Rhinehart has asked me to answer your letter of March 22, 1958, outlining legislation to make available low interest loans for local public works projects.

Your proposed legislation appears to be very sound and should go far in relieving the current national situation.

The town of East Ridge has only one project which might come under your proposed legislation. This project is the completion of a sanitary sewer system for the town. The unfinanced portion of this work amounts to approximately $500,000.

Our last bond issue, in the amount of $1,200,000, was sold for an average interest rate of 4.159 percent, on March 20, 1958, so your legislation would be of considerable benefit to the town of East Ridge.

Hoping this is the information you desire, I am

Sincerely yours,

R. L. PROCTOR,
City Manager.

WATERTOWN, TENN., *April 1, 1958.*

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR: Our mutual friend, Mr. Frank W. Groom, of this place has handed me a memorandum he received from your desk concerning a local program to help retard the expansion of the present recession, and to expedite our recovery from the situation. I have read this memo with a great deal of interest, due to the fact that our fair town needs some financial help toward the installation of a sewer system. We need this assistance from some source with a plan of repayment at a low interest rate, such as you have outlined.

The plan you have described seems to be fair, logical, sensible, and practical. As you are aware, small towns such as ours have a hard fight to exist as a municipality, because it is almost impossible to compete with the larger cities in utility services offered its citizens.

We are aware that there is some financial assistance available under certain circumstances and conditions. We like the idea of making the plan fast acting and workable, without a great deal of showing and proving what the State health department has already stated and declared.

We wish for you, Senator FULBRIGHT, and others the success you have a right to expect. We will be watching the progress of this plan.

Yours very sincerely,

GEO. W. GRIFFITH, *Mayor.*

MCKENZIE, TENN., *April 2, 1958.*

Senator ESTES KEFAUVER,
Washington, D. C.

DEAR SENATOR KEFAUVER: I was fortunate enough to hear your television report over WSIX of Nashville last Sunday.

Your proposed bill to provide funds at lowered interest rates for public works is very attractive to our city administration. For the third year we have applied for the 30 percent grant for construction of a sewage disposal plant. The State health department has advised that our priority rating is such that we should be offered the Federal funds provided the funds allocated Tennessee are not less than those of the past 2 years. We will soon need to market about $200,000 of McKenzie obligations to pay our share of construction costs. It would help to obtain the lowest possible interest rate.

McKenzie and Huntingdon jointly made application last year to the Bureau of Aeronautics to be put on the Federal airport plan. Our proposed site half way between the two cities has the enthusiastic approval of the Tennessee board. Chairman Bomar has been encouraged by Washington authorities on our application. We two cities with possible cooperation of Carroll County could well use this as a valuable project under your plan. We in McKenzie are badly in need of one or more municipal parking lots as well as major street, sidewalk, curb, and gutter, sewer line and water main extensions. What we do along these lines is only limited by our ability to arrange a sound method of meeting principal and interest on the funds necessary for construction.

Please let me know of the progress you make with your bill. If you are successful in your splendid effort, please advise how we may proceed to take advantage of its benefits.

Sincerely yours,

Y. D. MOORE,
Mayor.

SWEETWATER, TENN., *March 17, 1958.*

Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: The recession which we began to hear about last fall is growing very rapidly into a depression as borne out by the announcement last week from the Bureau of Labor Statistics that unemployment in February exceeded 5 million. We are aware that our Senate is gravely concerned over the economic condition of our Nation and we realize that many solutions are being considered.

You are familiar with our plans to build a sewage treatment plant and also to enlarge our water supply and to add a filtration plant for our city. This project would offer immediate employment in this area. The city board has authorized the engineers to proceed with the preparation of the final plans for these improvements. However, the amount of money needed to meet the minimum requirements is straining the capacity of our present resources. The rate structure required is such as to cause serious concern of our larger industries as to their ability to pay for these services. This rate structure is based on the issuance of revenue bonds bearing 4¾-percent interest.

There are two things that come to mind that would help to alleviate this crucial situation. First would be moneys available at a lower rate of interest; and secondly, an additional Federal grant.

We are indeed grateful to you for your help in obtaining a grant from the Department of Health for the sewage treatment plant to assist us with this portion of our project, but it appears that we will need further assistance if we are to get our project under way.

Any advice, help, or comment that you may have will be greatly appreciated at this very critical time.

With kindest personal regards, I am.

Yours very truly,

JACK C. OATES,
Mayor.

COVINGTON, TENN., *March 27, 1958.*

Hon. ESTES KEFAUVER,
Senator Office Building,
Washington, D. C.

DEAR SENATOR: I am pleased to receive your letter of March 22 because I am interested in job work programs that the present Congress may provide and I am equally interested upon what financial basis.

The town of Covington has recently voted to sell its private electrical generating plant and purchase power directly from TVA. The contract is in the process of closing.

In addition, we plan to purchase the property of the West Tennessee Gas Co. and an engineering firm has been employed to determine the value of this property within the corporate limits of our town. Several other cities in the area are planning to do likewise.

We also employed an engineer to design a sewage treatment plant. Plans have been drawn and submitted to the State. However, a Federal grant will not be available before the fiscal year of 1959–60. Since middle and east Tennessee run the show, we will likely be kicked to the bottom of the list.

We have drainage problems, two in particular. Help on these projects would be greatly appreciated and, as you know, such projects employ people. Sewage and water lines are always needed in a growing town, either for expansion or replacement.

If Covington has to finance the entire bills without the help of grants, I can see little need or attractiveness under a program that would not likely save us little or no interest aid.

Again, I want to inform you that since Congress has dealt this area a deadly blow on the farm program by retiring land from production and people from employment, I feel that something should be done to counter this catastrophe. It's a terrible blunder to destroy and render useless the asset of this area—alluvial land as rich as any in the world. May I say in this dark hour, we need help, real help, but not destruction with bonded indebtedness.

Yours very truly,

WM. A. SHOAL,
Mayor.

COWAN, TENN., *March 31, 1958.*

Senator ESTES KEFAUVER,
United States Senator,
Washington, D. C.

DEAR SENATOR: The city of Cowan applied for Federal aid toward their new sewage system 2 years ago, and recently we have been informed by the State health department that our aid was granted. This Federal aid being $59,252, as you are aware, this is just a small portion of what the sewage treatment is going to cost the city taxpayers. The remainder of the cost is approximately $325,748.

Recently, I noticed you have invited a few mayors to submit to you a work list for which they are being held up on account of insufficient funds. Since we are in a current economic recession, I believe it is advisable to amend our existing program and not only let it apply to certain populated areas.

A few years ago our city voted not to install the sewage treatment plant since the cost of the project would be a burden to everyone. The bonds would mature in 25 years with an interest rate of 4½ percent.

If the city would be entitled to a Federal loan and this loan accumulating about 3 percent interest rate over a period of 50 years we definitely could move forward with our project. As it stands now, the citizens of Cowan will have a chance to vote again for the sewer project with the Federal aid attached. But since the balance is so great and the maturity of the bonds are so short and interest too great, I'm afraid the project will be voted out.

The city public water supply is in constant danger of pollution by raw, untreated sewage, and thus subjecting the city to a possible epidemic of filth-borne diseases. Visual inspection of the points of discharge will always reveal putrescible matter floating on the water surface of the creek.

Senator, if you can assist us in any way toward this project it will be greatly appreciated by all the citizens of the community and long remembered.

Best regards,

KENNETH MYERS, *Mayor.*

MORRISTOWN, TENN., *March 31, 1958.*

Hon. ESTES KEFAUVER,
Member of Congress,
New Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: I was highly pleased to learn that you and Senator FULBRIGHT are making efforts to have low interest loans available to cities for public works projects.

I beg to advise that at the present time, the city of Morristown needs approximately $650,000 for a sewage disposal plant; $22,000 for additional fire-fighting equipment; $375,000 for additional reservoir and water facilities; $100,000 for sidewalks; $50,000 for public recreational facilities; $50,000 for a public library; off-street parking facilities, $100,000.

I hope that you can get this legislation rushed through Congress so that these loans may be available in the very near future.

Wishing you continued success, I remain,

Yours truly,

C. FRANK DAVIS,
Mayor of Morristown.

ATHENS, TENN., *March 31, 1958.*

Hon. ESTES KEFAUVER,
United States Senator,
Senate Building, Washington, D. C.

DEAR SENATOR: In response to your letter of March 22, 1958, relative to legislation to be cosponsored by you with Senator FULBRIGHT, let me state that I am heartily in accord with your program.

The city of Athens is in dire need of assistance for public works and in accordance with your request we list the following projects which the city of Athens would initiate as soon as a program such as you have suggested in your letter is available:

The city of Athens would propose to expand and improve its water system to the extent of $2 million; sewer improvement, $1,500,000; Belt Street plan, $1 million; municipal building, $500,000; parking area, $500,000; south bypass route, $500,000.

The city of Athens is hopeful that the program which you and Senator FULBRIGHT are cosponsoring will meet with success.

Sincerely,

EDWARD MILLARD, *Mayor.*

KINGSPORT, TENN., *March 28, 1958.*

Hon. ESTES KEFAUVER,
United States Senator,
Washington, D. C.

DEAR SENATOR KEFAUVER: I wish to acknowledge and thank you for your letter of March 22 in regard to the proposed public works legislation as a means of furnishing employment to the rapidly increasing number of unemployed and as making it possible for the political subdivisions to go forward with needed projects.

The methods to be used in combating economic depressions are, of course, always controversial and we realize that no one plan could be wholly acceptable to all of the people.

From a brief study of the plan which you have proposed we cannot see where it would be of particular benefit to our city since we have a good credit rating and would be able to borrow all of the money that we can see that we need at this time within the rate specified by your bill. On the other hand, we see that your plan might make it possible for cities with lower credit ratings to proceed with projects.

Our council has decided to take no stand on this question, but leave it in the hands of the Members of Congress whom we feel are able to decide the question in a manner which would be to the best interest of the country as a whole.

Yours very truly,

MILTON DEVAULT,
Mayor.

CITY OF RED BANK-WHITE OAK,
Chattanooga, Tenn., April 3, 1958.

Hon. ESTES KEFAUVER,
The United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: I appreciate your letter of March 22 in regards to public works projects, and the proposed bill for Federal aid in financing these projects.

I am in full accord with your proposed bill setting up Federal money to help smaller communities to finance such projects. This in my opinion will go a long way in reducing our unemployment and help stimulate our economy.

Our city hasn't any particular project at this time to start under this setup.

Sincerely,

BURK S. MILLARD,
Mayor.

COOKEVILLE, TENN., *April 3, 1958.*

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR: In reply to your letter of March 28, relative to the bill sponsored by yourself and Senator FULBRIGHT, making it possible for municipalities to borrow money for streets, sidewalks, sewers, and garbage-disposal facilities and other things which the cities need, we would say Cookeville is very much concerned by this bill and would certainly like to participate in the progress, as we need money for improvements of this nature, and this low rate of interest would make it interesting to the city of Cookeville.

I would like to say, if this bill passes, we will be the first to make an application to borrow this money.

We sincerely hope that the bill will pass, and we certainly would like to commend you and Senator FULBRIGHT in your untiring efforts. We think you are doing a great job, and I think practically all the people in Tennessee feel the same way.

I know you will do all you can, but we cannot urge strongly enough because we are vitally concerned. Let's hope everything will work out for us.

With every good wish.

Sincerely yours,

DERO BROWN,
Mayor.

PULASKI, TENN., *April 3, 1958.*

Hon. ESTES KEFAUVER,
Washington, D. C.

DEAR SENATOR KEFAUVER: Having read your proposed legislation on financing for public works and municipal projects, I think your proposed bill would be very attractive to our cities anticipating expansion of water and sewer and other public projects. At the

present time we are making plans to build sewer disposal plant, have already bought site and made application for Federal aid on same. Also, we are planning on sewerage for that part of city that does not have sewerage, also all new subdivisions recently added to city of Pulaski. Disposal plant to amount to $325,000 and sewerage to near the same amount—$325,000.

We are in process of improving airport, jointly with county; amount, approximately $100,000.

It would certainly be a pleasure to see and talk with you sometime. Well remember your last trip and talk in Pulaski. We were certainly happy to have you and Mrs. Kefauver visit our little town.

Very truly,

HERBERT SMITH.

RICHARDSON'S,
McKenzie, Tenn., April 1, 1958.

Hon. G. W. BULLOCK,
County Judge,
Carroll County, Huntingdon, Tenn.

DEAR JUDGE BULLOCK: Thanks so much for letting me read the letter from Senator KEFAUVER regarding his proposed bill.

I, for one, think it a good investment to borrow our own money to further our cause for a better standard of living for our small communities. A bill such as this would work in perfectly with our proposed balanced agriculture with industry.

I have passed the letter around to the following persons, and they were very enthusiastic about the bill. The people were as follows: Mayor Y. D. Moore, Mr. Roy N. Baker, and Jim Alexander. I believe they will send you a list of projects that would comply with the proposed bill.

I hope you will see fit to write Senator KEFAUVER, and support his proposed bill.

Sincerely,

WINDOL RICHARDSON.

FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION,
Nashville, Tenn., April 2, 1958.

Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: An account appeared in the Columbia Herald of Columbia, Tenn., relative to your letter to the Honorable David Fleming, judge of the county court of Maury County, concerning possible public works to be accomplished through the antirecession bill being sponsored by Senator FULBRIGHT and yourself.

The town of Spring Hill, Tenn., has had an acute water problem which is growing rather than improving. Our water supply at present is from a well on property owned by the Tennessee Orphans Home in Spring Hill, Tenn., and we have recently been advised that the orphans home is planning an expansion which will double the number of children cared for at the home. At this writing, we estimate that one-half of the water coming from this source is being used by the Tennessee Orphans Home. Consequently when their plant size is doubled, there will be insufficient water for the town.

As you know, we have had severe droughts in the past years which have left us with no water whatsoever. During one period it was necessary for the Governor to send the National Guard, at considerable expense to the State and Federal Government, to come to our aid in partially treating the water from the lake located on the orphans home property.

Spring Hill is, I believe, a community older than the city of Chicago and is as you know, located on an arterial highway on the route to Birmingham. The town has been unable to grow or attract industry by reason of our minimal water supply.

The town is badly in need of a system of adequate water mains and fire hydrants with sufficient pressure to give our citizens fire protection to which they are entitled. The nearest feasible source of water appears to be Duck River which is located some 9 or 10 miles from the town of Spring Hill. If we were to tap this source of water, it would require a water conduit for that distance with perhaps an intermediate pumping station. We would also have to erect a water treatment plant in order to supply potable water to our citizens. At our town meeting last evening the town board authorized Mr. Burch Grimes, our city recorder, to write a letter to Judge Fleming in regard to this water problem with an approximate cost for its construction. I emphasize that this figure of $400,000 is merely a guess and should the bill be passed and should we qualify for such Federal assistance, we would of course, have an engineering survey which would indicate the actual cost of such an undertaking.

I am not writing this letter in my official capacity as vice mayor of the town but purely to give the citizens' point of view as to the urgency of our need. There might be many projects more attractive than the water supply for Spring Hill but I cannot conceive of one which is any more necessary.

I wish you and Senator FULBRIGHT success in your attempt to secure the passage of this legislation and I earnestly hope that under such legislation, we shall be able to secure a water supply and system which is vital to the life and future progress of our community.

Very truly yours,

GEORGE S. SCOVILLE,
Vice Mayor, Spring Hill, Tenn.

TULLAHOMA, TENN., *April 4, 1958.*

Hon. ESTES KEFAUVER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: I sincerely appreciate your letter with regard to the low interest loan bill for public works projects and the opportunity to express our opinion on this bill.

I am heartily in accord with such a bill since I feel that it could mean a great deal to our city which of course is my primary concern.

We, as most communities our size, are unable to finance projects which could be noted as necessities and very definitely an asset to our city.

At the present time, we are formulating the possibility for a bond issue in the amount of $850,000 for water and sewage facilities. Such a bill could enable the city of Tullahoma to save considerably on such an interest rate as is proposed. I am sure that we among many others could very well use improvement in most all the items which you outlined in your letter.

It is my sincere hope that you and Senator FULBRIGHT can see such a bill to completion and that there can be derived from such a bill as well as better cities a utilization of money, men, and materials.

Yours very truly,

JACK T. FARRAR,
Mayor.

CARTER COUNTY CHAMBER OF COMMERCE,
Elizabethton, Tenn., April 10, 1958.

Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: This is to acknowledge and thank you for your April 3 letter concerning the Watauga River Dam which we discussed briefly on your recent visit to Elizabethton.

It appears that local interest, extending from Johnson City to Boone is developing in this project. For the time being, Mr. R. E. Little, who is connected with the Carter County Chamber of Commerce, will assist in developing an organization which we believe will sponsor this project, and aid you and others who doubtless can be counted upon to bring the project to a successful conclusion.

Yours very truly,

C. H. WHITE, Sr.

JOHNSON CITY, TENN.

STATE OF TENNESSEE,
STREAM POLLUTION CONTROL BOARD,
Nashville, March 17, 1958.

Hon. ESTES KEFAUVER,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: Two lists of Tennessee municipalities are enclosed. Table 1 lists the 16 municipalities that have received Federal construction grants under section 6 of the Federal Water Pollution Control Act to assist with the construction of sewage treatment works. Table 2 lists the 29 additional municipalities that have applied for grants and the order of priority that has been determined by the Tennessee Stream Pollution Control Board for the anticipated 1958–59 fiscal year funds.

These anticipated funds will permit priorities for the first 13 projects only. The other 16 projects in table 2 will have to wait until fiscal year 1959–60 and by that time we will again have more than twice as many applications as the $1,129,000 that will be Tennessee's allocation of the $50 million appropriation authorized.

During the 2 years that these grants have been available, Tennessee municipalities have been helped materially to provide needed sewage treatment works and correct stream pollution. This has been accomplished at a minimum cost to the Federal Government since 70 percent of the cost of the project and all of cost of sewer extensions are paid for with local funds. I believe the length of these two lists will show you the interest in this program.

We hope that you will support the appropriation for this work which is helping Tennessee cities and providing employment for local citizens. If Congress considers funds for new public works, we hope it also will consider at least doubling the $50 million appropriation now included in the budget. This would provide $2,258,000 in grants for Tennessee for 1958–59 fiscal year. You will find Tennessee municipalities ready to match these 30 percent grants with 70 percent local funds and start the construction of the projects within a few months.

Yours very truly,

R. H. HUTCHESON,
Chairman, Tennessee Stream Pollution Control Board.

TABLE 1.—*Construction grant projects in Tennessee for sewage treatment works under section 6 of the Federal Water Pollution Control Act, 1956–57 and 1957–58 fiscal years*

Name:	*Federal grant*
1. Bluff City	$34,380.00
2. Chattanooga	250,000.00
3. Clinton	1,800.00
4. Columbia	250,000.00
5. East Ridge	250,000.00
6. Elizabethton	237,000.00
7. Harriman	250,000.00
8. Huntingdon	35,147.49
9. Martin	102,713.17
10. Morristown	183,712.55
11. Murfreesboro	250,000.00
12. Red Bank–White Oak	44,020.00
13. Rogersville	39,900.00
14. Shelbyville	13,325,79
15. Springfield	195,000.00
16. Sweetwater	129,126.00
	2,266,125.00

All available funds for these 2 years has been allocated.

MEMPHIS CHAMBER OF COMMERCE,
April 2, 1958.

The Honorable ESTES KEFAUVER,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: We would call to your attention, as a member of the Senate Public Works Committee, the attached resolution pertaining to Senate bill No. 3231 providing for a new Federal public works program and reestablishment of a Public Works Administration.

We respectfully refer you to the sixth paragraph thereof and especially to that portion which is underscored.

We earnestly hope that Congress will carefully and earnestly consider such legislation to the point where its passage may be considered unwise at this time.

Very sincerely yours,

J. THURSTON ROACH,
President.

RESOLUTION OF BOARD OF DIRECTORS OF MEMPHIS CHAMBER OF COMMERCE

Whereas the city of Memphis has recently received a measure of ill-founded, unwarranted, and undeserved national publicity concerning the health of its economy, which publicity has been used as a springboard for the introduction of Senate bill 3231, a bill providing for the establishment of a Federal Public Works Administration; and

Whereas the present national recession is a recession from times of unprecedented prosperity and not from normal times, and reflects only a period of inventory adjustment and a temporary satisfaction of consumer needs; and

Whereas the Federal Government presently has sufficient tools to ward off any threat of depression, including a large number of authorized public works; and

Whereas a Federal public-works program is an inflationary measure which will further depreciate the value of the wages of the over 62 million Americans now presently employed, thus reducing their ability to purchase, save, and invest; and

Whereas a Federal public-works program is wasteful of the taxpayers' money—requiring expenditures for public works in excess of what similar construction would cost at the State level—and results in the further extension of Federal interference into fields properly and constitutionally belonging to the several States; and

Whereas all economic indicators point to an end of the current recession before the end of this year, and no public-works program, even if enacted immediately, could provide additional employment before this upturning in the economy takes place because of the time lag required for surveys and planning; and

Whereas a Federal public-works program can serve only to frighten the American consumer into delaying the satisfaction of his present and future needs, with the inevitable result of worsening the situation by deepening the recession; and

Whereas the economy can now best be served by strengthening public confidence, by releasing additional consumer funds for purchase, and by encouraging additional investment in American business, none of which can be attained through a costly and inflationary public-works program, but which can be realized through an equitable reduction in our near-confiscatory Federal taxes: Now, therefore, be it

Resolved, That the board of directors of the Memphis Chamber of Commerce actively oppose the enactment of Senate bill 3231, or any similar measure, the result of which is to establish a Public Works Administration, or to engage in wasteful or inflationary Government spending; and be it further

Resolved, That the president of the Memphis Chamber of Commerce be and hereby is authorized and directed to send a copy of this resolution to Senator ALBERT GORE, Senator ESTES KEFAUVER, Representative CLIFFORD DAVIS, the chairmen and members of the Senate and House Committees on Public Works, and the President of the United States, with a letter requesting that they lend their efforts to defeating these inherently dangerous bills in the appropriate congressional committee.

CITY OF COLUMBIA,
Columbia, Tenn., April 7, 1958.

Hon. ESTES KEFAUVER,
United States Senator,
Washington, D. C.

DEAR SENATOR KEFAUVER: Your letter of March 22, addressed to former Mayor Tom F. Williams, has reached my desk and I have been instructed by Mayor Tom McGrew and the commissioners to give you our views concerning the proposed legislation you are cosponsoring with Senator J. W. FULBRIGHT.

It is quite apparent that the country is slipping rather rapidly into a severe recession or depression, and it is obvious that steps should be taken as quickly as possible to correct or alleviate this situation. It is my opinion that the legislation you are proposing would help counteract the recession and would also greatly benefit the cities and towns in the Nation.

In the very near future, we will have underway the construction of a sewage treatment plant for Columbia which will cost the city better than $1½ million. We will be entitled to a grant of $250,000 from the Federal Government, and have issued general obligation bonds in the amount of $750,000. Another bond issue of approximately this amount is contemplated and any decrease in interest rates would be to the advantage to the city. Other local public works projects are desperately needed in Columbia, and the legislation you prpose would surely facilitate action on these projects.

Wishing you continued success and with kindest personal regards, I am,

Sincerely yours,

C. N. MARTIN,
City Manager.

RAY REAL ESTATE CO.,
Athens, Tenn., April 4, 1958.

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR ESTES: I feel sure that there are a number of ways in which the Federal Government could participate with the State, county, or city on projects such as hospitals, armories, and other such institutions. Frankly, I don't know what these various possibilities are but I wonder if you could have someone round up the various things that can be done along this line so that I can try to promote such as would apply in our city, county, or area.

My thoughts are that I could do this in some instances as an individual and in others through the chamber of commerce or Kiwanis club or appropriate organization. This is probably rather a broad request but if the possibilities were made available to me in the form of written material or any direct suggestions from you as you know this general locality, I believe that the knowledge of such would be of much benefit.

I wish to thank you in advance for anything that you can send to me or make available from your office along this line.

I feel so sorry that you lost your father recently and I was over talking to Nora just a few days before he passed away.

With all good wishes and if you find it convenient to be down this way, I would like to take you to our Athens Kiwanis Club again.

Sincerely yours,

RATHBURN A. RAY.

GEORGE S. VOLZ & CHARLES R. VOLZ,
Ripley, Tenn., April 3, 1958.

Hon. ESTES KEFAUVER,
United States Senate Office Building,
Washington, D. C.

DEAR ESTES: For sometime I have thought of writing you, but I have refrained knowing you receive too much mail as it is, but I finally decided to try to give you the situation as it is here.

From press reports, I understand you were seeking information from Memphis and Shelby County as to what work they could do if the money rate was reasonable and time long enough, so I wanted to cover our section.

Ripley has instructed us to proceed with survey and plans for their disposal plant and this will be ready by June 1, and I am of the opinion that it will cost approximately $325,000, and the town's finances are in good shape so they will be in the market to sell some bonds.

Henning has been negotiating with the Federal agency in Atlanta to sell them $150,000 in bonds and the agency finally agreed to buy them at 3⅞-percent rate, but when they got into the matter they discovered they could better afford to sell 5-percent bonds owing to the many restrictions the Government had on their proposal and they spent nearly 5 months trying to meet the requirements, so they let Saunder & Co., of Memphis, handle them at 5 percent interest rate spread over 25 years.

Of course, there is an act that provides 33⅓ grant money on sewage disposal, but the allotment to Tennessee is small compared to the number of applicants and it would be June 1959, before any new applicants would receive any funds.

If there was some money available on the basis of something like RFC, much real work could be underway in 60 to 90 days.

Covington has about $400,000 of work ready to go and many towns are in the same fix and I do not believe any of them want WPA or PWA, but any arrangement that would permit them to sell their bonds at a reasonable rate and spread over enough time would find many takers.

We are in very good condition, but generally speaking, the public in this section has tired of paying the prices asked every time someone wants to strike. All reason has gone out of big business and union dealing. Of course, many people have overbought themselves, and another thing, the car manufacturer's product of 1956–57 was so poorly put together it has taken 3 or 4 months to get the bugs out of the car. In other words, the first 5,000 miles was spent going back for adjustments, and you would be surprised at the number of people who are waiting to see how the 1958 cars are put together. I know as we use Cadillac, Lincoln, Buick, Chevrolet, and Ford and that's five cars in my family, and I am not buying any cars until I am sure that we won't have the same trouble, and too, they have priced themselves out of a large part of their normal business.

While I have never found a man who voted for Mr. Allen, I feel like if all of these men stay in the race, Allen would win. Come to Ripley sometime when you are in this section. I would like to see a friendly somebody in the Governor's office. The commissioner of Memphis appearing on television yesterday stated they did not want either WPA or PWA.

Yours very truly,

GEORGE S. VOLZ.

UNION CITY CLINIC,
Union City, Tenn., April 4, 1958.

The Honorable ESTES KEFAUVER,
United States Congress,
Washington, D. C.

DEAR SIR: I read with interest your memorandum of March 28, and was particularly pleased with your plan for the Federal program for assistance to all communities and cities.

This certainly seems to be a practical solution and a step in the right direction toward solving our recession, particularly here in west Tennessee.

Trusting you will be successful in this endeavor, I am,

Sincerely yours,

B. O. GARNER, M. D., F. A. C. S.

TRADE-A-PLANE SERVICE,
Crossville, Tenn., March 31, 1958.

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR ESTES: I am very pleased to learn from your memorandum of March 28 that you and Senator FULBRIGHT are working to expand the scope and accelerate the local public-works program.

If this can be accomplished anyway soon, it will help in more ways than one. Of course, it will be a wonderful help in getting people back to work before they become welfare cases but it will also help many small cities, like our hometown of Crossville, which are faced with almost critical needs for enlarged water systems and more sewage-disposal facilities, yet are financially unable to undertake projects.

If there are any ways in which we can help you folks in this very worthwhile effort, kindly let us know.

With best wishes and kindest personal regards, I remain,

Yours very truly,

ED. DONNELLY.

CITY OF LEBANON,
Lebanon, Tenn., April 1, 1958.

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: Replying to your kind letter of March 28, 1958, with reference to the legislation by you and Senator J. W. FULBRIGHT, to make available low interest loans to localities for local public works projects.

I would have answered your letter at an earlier date, however, it has been necessary that I be out of town for the past several days on account of the death of a friend.

I am very much in favor of your proposed legislation. The proposed project eligibility set forth in the last paragraph of your letter on page one certainly is sufficiently expansive as to give consideration of municipal problems.

Certainly, your proposed legislation would enable municipalities to speed up their present planned public improvement program. I might say also, that in the long run the speedup program would save considerable amounts of money. To give you an illustration, we here in Lebanon spend considerable amounts of money on street repair and maintenance, whereas, if we had the necessary funds to construct permanent streets, asphalt or concrete, we would thereby eliminate to a great extent the large maintenance cost.

You asked me how this program would affect Lebanon, and I would briefly like to tell you.

Last year we issued $750,000 in waterworks improvement bonds to construct an additional water tank, extend our water and sewerage lines and to recondition our present water tank. In order to do this, it was necessary to increase our water rates 50 percent.

Presently, we are confronted with expending $331,600 this year to increase the capacity of our water treatment plant, construct an additional clear well at the water plant, new pumps, and cleaning our 16-inch high service pipeline. We are ready to go on this program and if we could borrow the money under your legislation we could start the project almost immediately as we have already had the study and engineering work completed. I must say in honesty, that we shall go forward with this program regardless of the adoption of your proposed legislation.

This project, plus the one we completed last year, puts us in the position of issuing all the water revenue bonds that we should, however, that leaves a study of our sewerage problems and the enlargement of our sewerage treatment plant without consideration.

We had planned on trying to finance the sewerage treatment plant improvement through the present Federal program, however, since Tennessee has only allocated to it $2½ million, it will be sometime before our community can receive any consideration on any allocation, as many communities in Tennessee are in greater need of help than Lebanon.

If the funds were available under your program we would proceed immediately with plans to increase the capacity of our sewerage treatment plant, which figure I cannot give you accurately but would say in the neighborhood of $200,000.

Every community is faced with the problem of extending its corporate limits, and our planning commission has been studying this problem here at Lebanon for the past 2 years.

We have planned our corporation extensions into four areas. In order to give water, sewerage, electric, gas, fire, and police protection, it will be necessary for the city to expend $854,000 at the present cost of work improvements. This does not include an additional fire station, additional recreational facilities, and street improvements. Under your program we could certainly expedite and go forward with this program within the next 2 years, however, presently, it is a problem of the best way to finance the program. I am of the opinion that corporation extension is an absolute must, not only in our community, but in all communities. If we are to give free enterprise an opportunity to grow, develop, and expand, then certainly we are to give public services to areas that will enable free enterprise to do these things.

Finally, under your proposed legislation our community would give every consideration to the construction of permanent streets in order to avoid the maintenance cost we are now spending, and frankly, I am not able to give you an estimate of what we would and could expend upon this project. Street construction has risen so highly that the revenues of a municipality will not go very far in retiring bonds to pay for street improvements. Perhaps the limit that we would be able to borrow to install permanent streets would be $500,000. This certainly would not go very far in giving us permanent streets. Our ability to repay could barely withstand a larger sum.

I trust this gives you the information requested in your kind letter, and I say again, that I am certainly very much in favor of your proposed legislation.

Sincerely,

WILLIAM D. BAIRD.

TOWN OF SPRING HILL,
Spring Hill, Tenn., April 7, 1958.

Judge DAVID FLEMMING,
County Judge,
Columbia, Tenn.

DEAR SIR: The board of mayor and aldermen has directed me to write you in reference to a letter you received from Senator KEFAUVER whereby small municipalities could borrow money at a low rate of interest for improvements such as waterworks and sewage systems.

This is to advise you that the town of Spring Hill is very much interested in the bill before Congress. In talking with Mr. Smith from Spring Hill you informed him that we should make an estimate of the amount of money that would be needed for the town. The town of Spring Hill is interested in obtaining an approved water system and a conservative estimate for a complete waterworks with adequate fire plugs is $350,000 more or less. A complete survey will be made at an early date and more sustaining figures will be forwarded to you if you desire. As the town understands it, all that is requested at this time is estimated figures.

At any time you wish any information will you please call on me.

Yours truly,

J. B. GRIMES,
Recorder.

MUNFORD, TENN., *April 8, 1958.*

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: Approximately 1 year ago, you met with the board of mayor and aldermen of the town of Munford, at which time we discussed together the possibility of securing Federal aid in the form of a loan for a sewerage system for our town.

Although your proposed Community Facilities Act has been postponed until April 14, we will be very grateful if you will inform us if this bill will qualify the town of Munford or a Federal loan in order to construct this muchly needed project.

Yours sincerely,

JAMES R. BIBB,
Alderman.

OFFICE OF THE CHAIRMAN OF THE
COUNTY COURT,
Benton, Tenn., March 31, 1958.

Hon. ESTES KEFAUVER,
United States Senator,
United States Senate,
Committee on Armed Services,
Washington, D. C.

Re: Your letter of March 22, 1958.

DEAR SENATOR KEFAUVER: In regard to Polk County, if it would be possible to start work on the Hiwassee River Dam which has been proposed, surveyed, and sounded by the TVA, I believe this would be the greatest relief for our county of anything that could be done in the near future.

I will study your letter which I have now and give you my reply immediately.

Very truly yours,

EVERETT W. BATES,
Chairman of the County Court,
Polk County, Tenn.

CHURCH HILL, TENN., *April 9, 1958.*

The Honorable ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR MR. KEFAUVER: We note in the Rogersville Review, your request for a list of Hawkins County proposed projects.

We would like your advice as to the possibility or plausibility of writing into your bill a provision allowing such corporations as our Hospital Association, Inc., being eligible to borrow.

We want to consider borrowing the 24 percent or part of it, of our hospital cost, unless you feel that your bill should limit the loans to local governments.

Rogersville hospital committee might be interested in such a loan, too.

And while I am writing, I should like to personally cite our need for completing Church Hill's school building program. Three units were completed, but the school needs 2 or 3 more. They are crowded even though using the old condemned buildings.

Thank you for your continued interest in our area.

Sincerely,

JOSEPHINE HAMILTON,
Secretary, East Hawkins County Hospital Association.

MEMPHIS, TENN., *April 9, 1958.*
Senator KEFAUVER,
Senate Office Building,
Washington, D. C.:

Pipe Trade District Council No. 6 of Memphis which is made up of Plumbers Local No. 17 and Steam Fitters No. 614 is requesting that you lend your support to passage of Fulbright bill, S. 3497. We request your support includes the Bacon Davis provision.

A. B. PEGRAM,
Secretary Pipe Trade District Council.

MEMPHIS, TENN., *April 9, 1958.*
Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

We request that you support Fulbright bill No. 3497 and that your support includes in this bill the Bacon Davis prevailing wage provisions.

W. W. HAWKINS,
Business Representative, Roofers Local Union No. 115, Memphis Labor Temple.

WASHINGTON, D. C., *April 1, 1958.*
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.:

Request support on vote on floor for prevailing wage provision in pending community-facilities bill.

GEORGE MEANY,
President, AFL–CIO.

COUNTY COURT, LAKE COUNTY,
Tiptonville, Tenn., March 31, 1958.
Senator ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: I am just in receipt of your very kind letter of March 22 in regard to proposed legislation sponsored by you and Senator FULBRIGHT which would make available low interest loans to localities for local public works projects.

I have discussed this letter with the county superintendent of schools, Mr. Jack Brewer, and with other courthouse officials and we would like to express our interest in a program of this kind in connection with the following projects:

1. County courthouse expansion program which would involve the building of about four additional rooms to the courthouse to house the county health department and the county agricultural department.

2. The building of a gymnasium for the Negro high school at Tiptonville.

The cost of each of these projects would run in the neighborhood of about $50,000.

I am indeed in favor of this proposed legislation and feel that it is very timely and should be enacted. We deeply appreciate your interest in our local needs and with kindest personal regards and sincere best wishes, I am,

Very truly yours,

C. U. COCHRAN,
Chairman, Lake County Court.

THE LAW OFFICES OF
TODD & COFFEY,
Murfreesboro, Tenn., March 28, 1958.
Hon. ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: I thank you for your letter of March 22. In order to ease the present economic condition, and to aid communities such as Murfreesboro, I heartily agree with your bill.

In Murfreesboro, and I am sure in other communities, we have had a tremendous growth within the past 2 years and have not been financially able to keep abreast with the expense of the necessary utilities. We have had two or three bond issues within the last 2 or 3 years for schools and off-street parking lots, and have had to hold the maturity dates down to around 20 years in order to obtain a favorable interest rate. I therefore would suggest that for each project mentioned in your bill, the Federal Government make a grant of 50 percent of the cost, the Government's part, however, not to exceed $500,000, and that the Government lend the balance of the cost to the community for a period of around 35 years, with the interest rate not to exceed 3 percent. The problem in communities such as Murfreesboro is faced with, in my opinion, is the amount of the debt service they are able to carry. At the present time, the debt service each year for Murfreesboro is approximately $225,000. You can see that, if we are not given some aid in grants and long maturities and favorable interest rates, we shall not be able to keep abreast with the expense of the necessary utilities and other improvements.

Murfreesboro is faced with the problem of making an addition to our sewage-disposal system, which is estimated to cost almost $1 million, and we are badly in need of providing sewerage lines which will cost approximately one-half million. We also have the problem of providing a recreational center which we estimate to cost in excess of $100,000. The additional to our sewage-disposal system could be ready to go within 2 months as our engineers in Atlanta have been working on plans and specifications for some 6 or 7 months.

If there is any other information that might be of aid to you, or if we can help you in any way with your bill, please let me know.

With kind personal regards, I am,

Very truly yours,

A. L. TODD, Jr.

LEBANON, TENN., *April 1, 1958.*
Senator ESTES KEFAUVER,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: Judge Turner S. Evans of this county was good enough to show me your letter of March 22, 1958, in regard to the legislation cosponsored by you and Senator Fulbright to make available low-interest loans to localities for local public works projects.

Some time ago, pursuant to title 6, sections 2601–2636, Tennessee Code Annotated, I filed a petition for residents and citizens of the west end of Wilson County, specifically in the Mount Juliet area, for the creation of a utility district comprising some four civil districts with an end in mind of supplying water to that end of the county.

The petition was approved and an order went down creating the utility district. Thereafter, we tried to procure a loan through the various finance houses in Nashville but were unable to do so and finally made application to the Housing and Home Finance Agency for a loan of approximately $480,000 to build a public water supply system for Mount Juliet and vicinity.

We were informed by letter dated December 6, 1957, that the interest rate on the loan, if approved, would be 5⅛ percent which information came over the signature of Walter E. Keyes, regional administrator, of 645 Peachtree Street, 7th Building NE., Atlanta, Ga.

Needless to say, we would be very much interested in the passage of your bill to construct this facility since the interest rate would be reduced to approximately 2⅛ percent, which, in a loan of this size would amount to a considerable sum of money over a period of 30 years.

Speaking as the attorney for the people of this utility district and after having talked with the board of commissioners for the district, we all feel that the passage of the bill cosponsored by you and Senator FULBRIGHT would definitely be in the public interest.

With kindest personal regards, I am,

Respectfully,

ALFRED T. MACFARLAND,
Attorney at Law.

CITY OF MANCHESTER,
RECORDER'S OFFICE,
Manchester, Tenn., April 4, 1958.
Senator ESTES KEFAUVER,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: The board of mayor and aldermen of the town of Manchester, Tenn., is attempting to make long-range plans for the future growth and development of Manchester in an orderly and financially feasible manner. In order to carry out these plans over a period of years, it is essential that detailed studies, maps, and engineering surveys be made.

Therefore, in an effort to accomplish the long-range planning, the board of mayor and aldermen have applied to the Housing and Home Financing Agency for an advance of $10,000 for public works planning in connection with construction of curbs, gutters and storm drainage.

Enclosed are copies of our letter to the Housing and Home Finance Agency applying for said loan and a further copy of a letter from the Tennessee State Planning Commission to the Housing and Home Finance Agency.

I am writing on behalf of the board of mayor and aldermen and at their instruction, and we are now requesting all of your help, cooperation and guidance in procuring this loan. Anything that you may see fit to do will be greatly appreciated and we feel that your aid will help to expedite this matter.

Yours very truly,

RICHARD H. HARRISON,
Attorney for the Town of Manchester.

TOWN OF MANCHESTER,
Manchester, Tenn., March 14, 1958.
Mr. WALTER E. KEYES,
Administrator, Region III, Housing and Home Finance Agency, Atlanta, Ga.

DEAR MR. KEYES: Transmitted herewith are an original and two copies of executed Form H–985, together with attachments for an advance of $10,000.

The purpose for which this advance is applied is that of preliminary planning of public works consisting of sidewalks, curb, and gutter, and storm drainage.

It is estimated that the total program will cost $1,100,000, and it is planned to be accomplished over a period of 10 years. The detailed final planning, financing and construction will be on an annual project basis. Construction on the first project will be commenced no later than July 1, 1959, and it will total about $41,000. The size of project will increase annually to a maximum of about $200,000 for the final project to be commenced about July 1, 1968.

The basis of financing will be the use of a portion of the rebated State motor fuel tax, proceeds of sale of general obligation bonds and a $2.50 per front-foot assessment levied on owners of property abutting the sidewalk and curb and gutter phase of each project. These elements will vary from $11,000 to $55,000 each for the former two and $19,0000 to $90,000 for the latter over the 10-year period.

The preliminary engineering work to be done at this time will consist of the following documents for the entire town:

1. Street, curb and gutter, and sidewalks standards—both detailed plans and specifications.

2. Master plan of ultimate development—both as to pavement type and width, curb

and gutter, sidewalk and storm drainage design including pipe size and slope, type of structure and approximate location.

3. Program of the ultimate development including delineation and estimate of cost for each of the 10 annual projects.

CITY OF MANCHESTER,
RECORDER'S OFFICE,
Manchester, Tenn., April 4, 1958.

Senator ESTES KEFAUVER,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: I am writing on behalf of the board of mayor and aldermen of the town of Manchester, Tenn. It has come to the attention of our city officials that there is now pending in Congress a public-works bill which allows 3½ percent loans to municipalities and counties for the construction of public works, such as public buildings and other capital outlay improvements, which loans are for a period of 55 years.

The board of mayor and aldermen has gone on record heartily in support of this bill, and has requested that I convey their wishes to you.

Manchester is vitally interested in this bill for the following reasons:

1. Within the last 8 years Manchester has grown from a community of approximately 2,300 people to 3,845, as shown by a special census of this past March. With such growth and anticipated future growth, the financial problem of providing the necessary municipal services, such as water, sewerage, and streets, has become almost insurmountable.

2. As you may have heard, United States Highway No. 41 through Manchester has been widened into a four-lane thoroughfare. As an incident to the improvement of said highway, Manchester entered into an agreement with the State of Tennessee in which we agreed to bear one-third of the cost of right-of-way acquisition and the State and Federal Government two-thirds, the State and Federal Government to pay only upon the approved appraisal price. The approved price for rights-of-way was in the amount of $615,000, of which Manchester was to pay $205,000, the balance of $410,000 to be paid by the State and the Federal Government. To date, the right-of-way costs have exceeded $500,000 to Manchester's part alone, or approximately $250,000 above Manchester's original share. In order to pay for this it became necessary for us to sell an additional $250,000 bond issue at an interest rate of 5½ percent. Thus, the passage of the above-mentioned bill would make it possible for a municipality such as ours to obtain capital outlay funds at a reasonable interest charge and repayable over many years.

3. At present Manchester is in dire need of a larger sewage-disposal plant, a city hall, and a long-range program of curbs, gutters, sidewalks, and drainage, among other things, which, of course, can be financed only by the sale of bonds at a high interest rate. We feel that the approval and passage of the bill in question might make funds available for at least some of the much-needed services to our people.

4. We further feel that a public-works bill is necessary in order to combat the decline in employment in our local area. However, due to the location of the Arnold Engineering Development Center we have not felt the stresses of the recession as sorely as other communities.

Speaking for the board of mayor and aldermen, it is hoped that you will vigorously support and actively work for the passage of this bill.

Yours very truly,
RICHARD H. HARRISON,
Attorney for the Town of Manchester.

COUNTY JUDGES
WEAKLEY COUNTY COURT,
Dresden, Tenn., March 31, 1958.

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: I think the legislation being sponsored by you and Senator FULBRIGHT will be a very great help to many of our counties and cities.

However, I doubt that the program would be of much immediate benefit to Weakley County since we are fortunate enough to enjoy a very good credit rating. Too, we are not at this time contemplating any public-building program. We are doing our best to pay off that we already owe.

Of course any program which will tend to lower interest rates will be beneficial to all counties and cities. And unless the private companies lower the interest rate considerably Weakley County, may, in the future, wish to take direct advantage of such a program.

With best personal regards, I am,
Very truly yours,
GEORGE C. THOMAS, Jr.,
County Judge.

COUNTY JUDGE, BRADLEY COUNTY,
Cleveland, Tenn., April 1, 1958.

Re: Low-interest loans to localities for public-works projects.

Hon. ESTES KEFAUVER,
Senator, United States Senate,
Washington, D. C.

DEAR SENATOR: Your letter of the 22d ultimate, the contents of which have been read with more-than-passing interest and noted carefully.

From the writer's viewpoint, we should face facts squarely and take every step necessary to counteract the recession, but do so without crying so loudly to cause panic. Your loan program, in my opinion, is a sound one and should not be associated with the old PWA approach.

In Bradley County we sold recently the following bonds: $1,354,000 school bonds, $260,000 hospital bonds.

While the bonds have been sold, yet the delivery of the bonds has never been made, hence the money is not available to the county at present. We expect to make delivery of the bonds immediately after the printer delivers them to us for the proper signatures.

There is a possibility we may be compelled to issue additional school bonds to replace a school building at Charleston, Tenn., which was recently destroyed by fire. Too, we might find it advisable to secure funds to procure rights-of-way on two projects under consideration at this time. The rate of interest you propose, namely 3¼ percent, would no doubt prove attractive to many counties and cities. We regret exceedingly our inability to give you an estimate of what this county might desire to do in the way of public-works expenditures. It is to be regretted that your proposed legislation was not enacted into law prior to the sale of the bonds mentioned above.

With every good wish and kindest personal regards, we are,
Yours very truly,
H. M. FULBRIGHT,
County Judge.

MACON COUNTY JUDGE,
Lafayette, Tenn., April 1, 1598.

Hon. ESTES KEFAUVER,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: In reply to your letter of March 22, 1958, regarding the proposed legislation making available low-interest loans to localities for public-works projects.

It is my belief that this would be a worthwhile program, as it would help relieve the unemployment situation on a local level and also be a worthwhile service to the local community.

The local projects that we would be interested in, in this area, would be principally parking lots, sidewalks, streets, sewage facilities, refuse and garbage disposal facilities. As to the cost of these projects I would not be able to hazard a figure.

We sincerely trust that this project can be carried through successfully.

Sincerely,
G. C. WEST,
County Judge.

HAYWOOD COUNTY COURT,
Brownsville, Tenn., April 1, 1958.

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR: With reference to your letter of March 22. The contents of your letter have been reviewed and discussed with great interest among county officials. We come to the conclusion that a loan would not be of benefit to our county as we are in relatively good financial condition.

However, we would be very much interested in a provision whereby the Government would furnish about $9 to $1 for the construction of jails, courthouses, etc.

Thanking you for your interest and information, and assuring you of my cooperation in your efforts.

Very truly yours,
B. W. COBB,
County Judge.

OVERTON COUNTY COURT,
Livingston, Tenn., March 31, 1958.

Hon. ESTES KEFAUVER,
United States Senator From Tennessee,
United States Senate Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: Yours of March 22 relative to Senator FULBRIGHT's bill which you and other Senators favor has been duly received and noted.

It would seem that this is a good bill and should merit serious consideration.

Our county jail burned in January of this year and it will burden the taxpayers quite a bit to construct a new jail, which will, at best cost us $100,000 or more. I am just wondering if we could construct our jail under the Fulbright bill in the event it is passed by the Congress? I would like to have answers to the following questions:

1. Would the Government make any contribution in the way of an outright grant toward the construction of our jail?

2. If the Fulbright bill is enacted by the Congress could we construct a jail under its provisions? If we could just what would be the procedure to follow?

3. How long, in your judgment, would it take to get full details worked out?

Senator KEFAUVER, our county quarterly court meets again on Monday, April 14, and I would like to have all the information possible about the chances of getting Federal aid in the construction before this date if possible.

Sincerely your friend,
HILLARD M. ROBERTS,
Overton County Judge.

HARDIN COUNTY,
Savannah, Tenn., April 3, 1958.

The Honorable ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: I want to congratulate you on the financing bill that you are sponsoring and to let you know that we think it would be the answer to the many headaches that we have as county officials. This bill will be especially beneficial to coun-

ties of similar size and population as that of Hardin County.

I am listing a partial list of the badly needed projects and their approximate cost that might be accomplished if said bill is passed:

Additional waterworks, $38,000.
Extended sewage, $300,000.
Hospital addition (25 beds), $250,000.
Old folks rest home, $50,000.
Present school plans, $600,000.
Health center, $60,000.
Airport, $50,000.

Of course, we realize that we could not do all of the above at one time but over a period of time, we could. All of them are necessary and worthwhile projects. Under the present interest system, it will be almost impossible to acomplish any of these projects.

With best personal regards, I am

Sincerely,

BOYCE PHILLIPS,
County Judge.

COUNTY JUDGE, SMITH COUNTY,
Carthage, Tenn., April 2, 1958.

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I have your letter of March 22 concerning legislation to make available low interest loans to localities for local public works projects.

I hasten to assure you that I am very much interested in this type of legislation and I believe it would serve a good purpose.

Since receiving your letter, I have talked with several of the Carthage officials and they are very much interested in additional water and sewage facilities for the town. I might further suggest that the town of Carthage is heavily bonded at this time and they cannot get money for such improvements through bond issues.

In this connection, I can speak, with more authority, concerning the needs of the county. We are facing a school building program at this time which will necessitate the expenditure of not less than $250,000 and if our needs are fully met, it could easily run $500,000. Our county has reached the point of saturation on our bonded indebtedness and we very badly need Government financing for this program.

Again, I want to assure you that both the town and county are very much interested in your proposed legislation and we sincerely hope it is enacted.

With kindest regards and best wishes, I am,

Cordially yours,

CLINT BEASLEY,
County Judge.

COUNTY JUDGE, ROANE COUNTY,
Kingston, Tenn., April 1, 1958.

Hon. ESTES KEFAUVER,
Member of United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I have your letter of March 22, 1958, relative to your assistance programs which covers many public improvements, it is my honest judgment that this is a good deal and that it should be passed.

Roane County may or may not have a project under this, I am of the opinion they will should your bill pass, we at this time have no applications but I believe it is one that will help furnish a sound program and trust that it will be of benefit and with my experience in this line I think the bill is a good one, and that many counties, cities and communities will be able to take advantage of the same.

Thanking you for your interest in this matter, I am,

Yours respectfully,

ELMER L. EBLEN,
County Judge.

GREENE COUNTY COURT,
Greeneville, Tenn., April 2, 1958.

The Honorable ESTES KEFAUVER,
Senator, Tennessee,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: This is in reply to your letter of recent date addressed to county judges of the State asking opinion on legislation which you are cosponsoring before the present session of Congress to permit the Federal Government to make loans to counties and cities for public works, and how it would affect our county.

I believe this is a law that would greatly before the present session of Congress to Some counties are paying interest rates that are almost prohibitive, a few counties are unable to sell additional bonds.

As to our county, we are able to borrow money at a lower interest rate than the 3 percent you mention in your bill as we have an A rating on our bonds.

I think any loans made to the counties should not run more than 20 years and should be serial bonds; money that cannot be repaid at the rate of 5 percent per year should not be borrowed. We have had to deal with 30-year bonds issued many years ago at 5 percent interest. It has taught our court to issue serial bonds on short term. In fact, for the past 20 years we have not issued any bonds that ran more than 8 years.

I am enclosing a list of our bonded indebtedness which shows that we have been able to sell bonds at an interest rate of 1½ percent. We are selling bonds on April 10. I will let you know the interest rate we get on this sale.

I think your bill worth while and that it will benefit many counties. However, I see no reason why our county should not continue to borrow money at as low an interest rate as the Federal Government.

Very truly yours,

S. W. DOTY,
County Judge.

Bonded indebtedness, Greene County, Tenn., as of Oct. 1, 1957

Purpose of bond issue	Date issued	Maturities	Amounts	Rate
				Percent
Floating debt bonds	July 1, 1929	July 1, 1958	$20,000	5
Refunding (1920)	Sept. 1, 1930	Sept. 1, 1958	10,000	4¾
Refunding (1920)	do	Sept. 1, 1959	10,000	4¾
Refundings (series A) (1913)	Jan. 1, 1936	1958-60	14,000	4
Refundings (series B) (1917)	May 1, 1936	May 1, 1957	1,000	4¾
Road bonds (1950)	Aug. 1, 1950	Aug. 1, 1958	50,000	1½
Rural school bonds	May 1, 1954	May 1, 1958	68,000	1½
Rural school bonds (sold Mar. 6, 1957)	July 1, 1956	July 1, 1959	130,000	3¼
Do	do	July 1, 1960	135,000	2½
Do	do	July 1, 1961	135,000	2½
Funding bonds of 1957	July 1, 1957	July 1, 1958	25,000	3¼
Do	do	July 1, 1959	50,000	3¼
Do	do	July 1, 1960	50,000	3½
Do	do	July 1, 1961	60,000	3½
Do	do	July 1, 1962	85,000	3¾
Do	do	July 1, 1963	90,000	3¾
Do	do	July 1, 1964	100,000	3¾
Total bonded indebtedness			1,033,000	

I hereby certify that the foregoing is a correct report of the bonded indebtedness of Greene County, Tenn. This September 30, 1957.

S. W. DOTY, *County Judge.*

COUNTY AND CRIMINAL COURTS
OF MAURY COUNTY,
Columbia, Tenn., April 3, 1958.

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: I received your letter of March 22 in regard to a bill that you are cosponsoring with Senator J. W. FULBRIGHT to make low-interest loans to localities for public works projects. In the beginning I wish to state that I favor such a bill and I feel that it will be of invaluable service to many, many cities and towns throughout the United States. I also feel that with respect to certain county projects it will be the means whereby much-needed improvements can be made if there is not too much redtape or complicated procedures involving said proposed loans.

Your letter requested a list of projects that might be undertaken in Maury County if the money were made available at a low rate of interest. Here are a few projects that come to my mind at present: a combination jail and workhouse for Maury County; the erection of five new bridges across Duck River in Maury County; a mental health clinic for Maury County; construction of a water system for Spring Hill; a low rate housing project for Mount Pleasant and a Maury County airport. Some of these projects are in the talking stage and have not progressed beyond that. Others in this group of projects will be placed in the must column soon. I am not able to give you an estimate of what these projects will cost, but mere approximations in most instances will suffice at this time. For the combination jail and workhouse project for Maury County, an estimated $200,000, the five bridges across Duck River will approximate $325,000, the water system would probably be $25,000 to $50,000, the low rate housing project at Mount Pleasant could run $100,000 to $150,000 and the Maury County airport would possibly be $50,000. As I pointed out the above approximations are my own figures and are in nowise a final estimation on the projects. I feel that these items can be considered as possibilities in the near future if funds were made available and the projects were approved by the necessary governing bodies.

I wish to thank you for an opportunity to express my opinion with regard to the proposed bill and also to list some items that would be of great benefit in our county if this bill should be passed.

Sincerely yours,

DAVID F. FLEMING,
County Judge.

GILES COUNTY,
Pulaski, Tenn., March 31, 1958.

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: I am very much interested in your letter to me dated March 22, 1958, concerning the bill to make available low interest loans to localities for local public-works projects, introduced by Senator FULBRIGHT and cosponsored by you.

Having discussed your letter with local bankers and public-spirited citizens we heartily endorse your proposed legislation.

As soon as I am able, I will send you a list of projects on which we would hope to be

able to go forward with, should your legislation be enacted.

May I commend you on your continued interest in our welfare.

I am

Yours very truly,

ALF E. CLAGETT,
County Judge.

MONTGOMERY COUNTY,
Clarksville, Tenn., April 4, 1958.

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D. C.

DEAR ESTES: The people of Montgomery County are interested in the passage of Senate bill No. 3502 which provides for additional $75 million Federal funds for airport construction during the fiscal year 1959, as well as extension of the Federal aid program for 4 years.

I will be very much obliged if you will kindly use your influence for the passage of this bill in order that we may make continued improvements on the Clarksville Airport, which belongs to Montgomery County and the city of Clarksville.

With kindest personal regards.

Yours very truly,

W. D. HUDSON,
County Judge.

RUTHERFORD COUNTY,
Murfreesboro, Tenn., April 7, 1958.

Hon. ESTES KEFAUVER,
United States Senator,
Washington, D. C.

DEAR SENATOR KEFAUVER: May I commend you and Senator FULBRIGHT for a realistic approach to the present recession, through the joint sponsorship of a new bill to aid local governments initiate public work projects that need to be built but which have been awaiting the necessary funds?

Rutherford County is fortunate to be in a position to finance proposed projects without the aid of the Federal Government. At the present we have 2 or 3 in-the-future projects which will be presented to the Rutherford County quarterly court for their consideration, but at the moment and in the foreseeable future none will require Federal financing.

With our present financial rating we are able to borrow money at a rate almost as low as that the Government will make available, but I know there are several counties in the State with both projects to be constructed and a credit rating so low, your proposed bill will be most beneficial.

It is certainly an excellent program for counties and municipalities that need to borrow money, but I am sure you will agree there is no need to borrow money just because it is available.

You ask my feeling about the enactment of such a bill. I agree there is a great need for such an act, and as mentioned earlier, there are many governmental units that need a source of low-rate, long-term funds. Further, I believe such a bill would help local governments provide needed facilities at a time when such construction can help reduce unemployment in that specific area.

Thank you for your kind letter and interest in our county.

Respectfully,

JAMES THREET,
County Judge.

LAWRENCE COUNTY, TENN.,
Lawrenceburg, Tenn., April 8, 1958.

The Honorable ESTES KEFAUVER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: This is in reply to your letter of March 22, 1958, wherein you advised that you were cosponsoring certain legislation making available low-interest loans for local work projects. I have considered the contents of your letter and also other information relative to this proposed legislation. I am wholly in accord with your thinking in this matter and sincerely hope that this legislation will be enacted by the Congress.

Lawrence County is in great need of certain public buildings, particularly a courthouse and/or an administration building. We estimated that such a building would cost in the neighborhood of $800,000.

I greatly appreciate your efforts in sponsoring this legislation and certainly feel that such legislation is greatly needed at this present time.

With best personal regards, I remain,

Yours very truly,

A. D. LINDSEY,
County Judge.

Mr. KEFAUVER. Mr. President, rather than there being any thought of cutting the amount further than the $1 billion which is now authorized and is the figure set by the committee, the correspondence shows that the amount should be restored to the $2 billion, which the Senator from Arkansas originally provided for in the bill.

My calculation, on a conservative basis, is that for the worthwhile projects in Tennessee there would be applications for approximately $70 million for construction which is ready to be started.

Furthermore, the correspondence clearly shows that the interest rate should not exceed 3 percent, if the purpose is to encourage the construction of local public works. If Congress passes legislation with an interest rate higher than that, we will simply be "kidding" ourselves when we claim for it a very widespread effect. The communities simply cannot afford a higher rate of interest. The result will be that the program will appeal to only a few communities. Actually, a rate of 3 percent will not appeal to some of the larger cities or communities, but the mayors of those cities say it will be very helpful to their cities and towns, communities, and sections to obtain loans at 3 percent interest.

During the Easter adjournment I returned to Tennessee and visited a large part of that State. Unemployment is increasing. The need of the towns and cities to build public works of the kind involved in the bill is great. I can think of no measure which would immediately put more people to work than the passage of the bill. The best thing which the Senate could do immediately to help to end the recession would be to pass the bill and to let the communities go forward with the plans they have long had in preparation for public improvements.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. The pending question is on agreeing to the amendment of the Senator from Arkansas [Mr. FULBRIGHT], is it not?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. On this question, the yeas and nays have been ordered, have they not?

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the amendment which has been submitted by the Senator from Arkansas [Mr. FULBRIGHT], on behalf of himself and other Senators.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. GREEN], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN], are absent on official business. The Senator from North Carolina [Mr. SCOTT] is absent because of illness.

I further announce that if present and voting, the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from North Carolina [Mr. SCOTT] would each vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from New Mexico would vote "yea" and the Senator from Indiana would vote "nay."

The Senator from Rhode Island [Mr. GREEN] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Rhode Island would vote "yea" and the Senator from Wisconsin would vote "nay."

The Senator from Louisiana [Mr. LONG] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting the Senator from Louisiana would vote "yea" and the Senator from Maryland would vote "nay."

The Senator from Alabama [Mr. SPARKMAN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Alabama would vote "yea" and the Senator from New Jersey would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART] is absent because of illness.

The Senator from Maryland [Mr. BUTLER] and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from North Dakota [Mr. YOUNG] is necessarily absent.

The Senator from New Jersey [Mr. SMITH] and the Senator from Wisconsin [Mr. WILEY] are detained on official business at the State Department.

The Senator from Maryland [Mr. BUTLER] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Maryland

would vote "nay" and the Senator from Louisiana would vote "yea."

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from New Mexico would vote "yea."

The Senator from New Jersey [Mr. SMITH] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from New Jersey would vote "nay," and the Senator from Alabama would vote "yea."

The Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from Wisconsin would vote "nay,' and the Senator from Rhode Island would vote "yea."

The result was announced—yeas 40, nays 41, as follows:

YEAS—40

Anderson	Holland	Murray
Bible	Humphrey	Neuberger
Carroll	Jackson	Pastore
Church	Johnson, Tex.	Proxmire
Clark	Johnston, S. C.	Russell
Douglas	Kefauver	Smathers
Eastland	Kennedy	Smith, Maine
Ellender	Kerr	Stennis
Ervin	Langer	Symington
Fulbright	Mansfield	Talmadge
Gore	McClellan	Thurmond
Hayden	McNamara	Yarborough
Hennings	Monroney	
Hill	Morse	

NAYS—41

Aiken	Curtis	Martin, Pa.
Allott	Dirksen	Morton
Barrett	Dworshak	Mundt
Beall	Flanders	Payne
Bennett	Goldwater	Potter
Bricker	Hickenlooper	Purtell
Bridges	Hoblitzell	Revercomb
Bush	Hruska	Robertson
Byrd	Ives	Saltonstall
Carlson	Javits	Schoeppel
Case, N. J.	Jenner	Thye
Case, S. Dak.	Knowland	Watkins
Cooper	Kuchel	Williams
Cotton	Martin, Iowa	

NOT VOTING—15

Butler	Lausche	Scott
Capehart	Long	Smith, N. J.
Chavez	Magnuson	Sparkman
Frear	Malone	Wiley
Green	O'Mahoney	Young

So the amendment offered by Mr. FULBRIGHT for himself and other Senators was rejected.

Mr. BUSH. Mr. President, I move to reconsider the vote by which the amendment 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 Connecticut [Mr. BUSH] to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CASE of New Jersey. Mr. President, I call up my amendment, designated 4–1–58–B, on behalf of myself, the Senators from New York [Mr. IVES and Mr. JAVITS] and the Senator from California [Mr. KUCHEL], which is at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 9, line 6, it is proposed to strike out the quotation marks.

On page 9, after line 6, it is proposed to insert a new section, as follows:

PREVAILING RATE OF WAGE AND 40-HOUR WEEK

SEC. 206. The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on projects assisted under this act (1) shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the act of August 30, 1935 (Davis-Bacon Act), and (2) shall be employed not more than 40 hours in any 1 week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than 1½ times the regular rate at which he is employed.

Mr. CASE of New Jersey. Mr. President, I ask the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. CASE of New Jersey. Mr. President, I wonder if I may have the attention of the chairman of the committee with regard to two technical changes in the amendment which have been suggested by the Parliamentarian.

The amendment in line 1 now reads:

On page 9, line 6—

The amendment should read:

On page 8, line 13—

I wonder if there is objection to making that change.

Mr. FULBRIGHT. Mr. President, I have no objection.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. The Senator from Georgia.

Mr. RUSSELL. Mr. President, a Senator cannot amend his amendment with the consent of the chairman of the committee after the yeas and nays have been ordered. I make a point of order that such a change can be made only by unanimous consent of the Senate.

The PRESIDING OFFICER. The point of order made by the Senator from Georgia [Mr. RUSSELL] is well taken. The Senator can modify an amendment after the yeas and nays have been ordered only by unanimous consent.

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent that the amendment be so modified.

Mr. FULBRIGHT. Mr. President, it is a technical amendment. I, of course, am opposed to the amendment, since I believe it would destroy the effect of the proposed legislation. However, the request is for purely a technical amendment, and I cannot object to it as an amendment. I must take this occasion to say, however, I deeply regret such an amendment to the bill is suggested, for I consider it to be quite irrelevant, and I believe it would have a completely deleterious effect upon the legislation itself.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request made by the Senator from New Jersey? The Chair hears none, and it is so ordered.

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent that on the second line of the amendment the number "9" be changed to "8", and the number "6" be changed to "13", for the same purpose.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey?

Mr. FULBRIGHT. Mr. President, I did not understand the request.

Mr. CASE of New Jersey. On the second line of the amendment I propose a similar change in numbers, for the same purpose.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey? The Chair hears none, and the amendment is so modified.

Mr. CASE of New Jersey. Mr. President, in order to clarify the situation I have one more request. I ask unanimous consent that on line 7 of the amendment the word "act" be changed to "title."

Mr. FULBRIGHT. Mr. President——

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. FULBRIGHT. That is not simply a technical amendment. I object.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Objection is heard.

Mr. CASE of New Jersey. Mr. President, the Bacon-Davis Act, which the amendment would make applicable to projects financed with loans provided under the bill, is a time-tested and proved law based upon a sound, fundamental concept of the role of government with relation to Federal construction programs. This law and related statutes are designed to prevent the resources of the Federal Government from becoming an instrument for depressing and undermining existing labor standards.

The PRESIDING OFFICER. The Senator from New Jersey will please suspend.

The Senate will please be in order. Senators will take their seats. The Senator cannot be heard.

The Senator from New Jersey may proceed.

Mr. CASE of New Jersey. The law is designed to prevent the resources of the Federal Government from becoming an instrument for depressing and undermining existing labor standards to the detriment of workers, fair employers, and the community at large. The basic purpose is to make sure that a competitive advantage in obtaining contracts will not be given to bidders who fail to observe the prevailing wage rates and the acceptable labor standards maintained by contractors in the area where the federally financed or assisted construction is to be performed.

Thus, these laws protect fairminded and responsible contractors against unfair competition from contractors who base their bids on wage levels lower than those actually prevailing in the area. Also, local workers are protected against cheap unattached and migratory labor imported from a distance. Therefore, unless this protection is guaranteed, the beneficial local economic effects flowing from a public works program of this type could be lost.

In view of the argument made by the sponsors of the bill as to its importance in dealing with the current recession,

this particular aspect of the matter is of very great importance, indeed.

The Davis-Bacon Act itself applies to the construction, alteration, or repair, including painting and decorating, of public buildings or public works constructed under contract with the Federal Government or the District of Columbia. It does not automatically cover federally aided construction programs. However, Congress has long recognized the need for prevailing wage legislation similar to the provisions of my amendment, in Federal loan and grant-in-aid, insured, or guaranteed construction programs. Ample precedent for inserting prevailing wage provisions in S. 3497 can be found in construction programs for slum clearance, urban renewal, public housing, defense housing and community facilities, multifamily rental housing, schools, hospitals, airports, lease purchase construction, and highways.

I ask unanimous consent to have printed at this point in the RECORD a statement of examples of prevailing wage provisions.

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

EXAMPLES OF PREVAILING WAGE PROVISIONS

1. Davis-Bacon Act of 1935, as amended (prevailing wage law) (40 U. S. C. 276a–276a–7): This act covers direct Federal construction, alteration, or repair of public buildings or public works, including painting and decorating, where the contract is more than $2,000. It also applies to the initial construction by the States of the Interstate System of Highways authorized by section 108 of the Federal-Aid Highway Act of 1956 (23 U. S. C. 158).

Type of construction: Projects such as Federal buildings, air fields and bases, dams, powerhouses, drainage and irrigation canals, dredging of rivers and harbors, post offices (included are post offices and public buildings constructed pursuant to lease-purchase agreements), Army, Navy, and Air Force installations, veterans' hospitals, roads constructed by the Federal Government alone such as in national parks, roads constructed as a part of the Interstate System of Highways, etc.

Agencies: All agencies of the Federal Government and of the District of Columbia that directly make construction contracts; examples are the Department of Defense (Army, Navy, Air Force), General Services Administration (public buildings), Department of the Interior (reclamation, forestry), Atomic Energy Commission, Department of Agriculture, Department of Commerce (Civil Aeronautics Administration, Bureau of Public Roads—both for direct contracts and for State-awarded highway contracts on the Interstate System), Veterans' Administration.

Payment of workers: The act provides for withholding money from the contractor to pay workers who have not been paid the required wages and gives the Comptroller General the authority to pay out the money for back wages. To obtain payment of unpaid wages from the money withheld, the employee has to file a claim with the Comptroller General. If enough money has not been withheld to cover all underpayments to laborers or mechanics, a worker who does not receive all that is due him has the right to sue the contractor and the sureties on his bond. It is no defense for the contractor that the worker has accepted or agreed to accept wages at rates less than the rates determined by the Secretary, or has refunded any of the wages voluntarily.

2. United States Housing Act of 1937, as amended; Housing Act of 1949, as amended (prevailing wage laws) (42 U. S. C. 1401 et seq. and 42 U. S. C. 1441 et seq.): These laws cover slum clearance, urban renewal, and low-rent public housing. Construction contracts are awarded by local authorities on projects financed with the assistance of loans and grants from the Federal Government. Laborers and mechanics employed in any part of the development of these projects must be paid not less than the wage rates determined by the Secretary of Labor.

Agencies: Urban Renewal Administration (slum clearance and urban renewal) and Public Housing Administration (low-rent public housing) of the Housing and Home Finance Agency.

3. Defense Housing and Community Facilities and Services Act of 1951, as amended (prevailing wage laws) (42 U. S. C. 1591 et seq.): The prevailing wage provisions of this law cover housing for defense workers or for military personnel, and also cover community facilities such as sewers, water lines, streets, and other facilities in defense areas, outside military installations (both grant loan, and guaranties). Although this act has expired, it serves as a precedent for Congressional action.

Agencies: Public Housing Administration and Community Facilities Administration of the Housing and Home Finance Agency.

4. National Housing Act, as amended, covers certain types of housing construction, when the mortgage loans are insured by the Federal Housing Administration.

Construction covered (by prevailing wage law (12 U. S. C. 1703 et seq.)):

(a) Apartment house projects (over 12 units), elevator or garden type, under NHA sections 207, 213 (cooperative housing), 220 (civilian housing projects), and 803 (military housing projects).

(b) Individual houses in projects of eight or more houses when built for cooperative groups under NHA section 213 and subject to a single mortgage.

Construction not covered:

(a) Any individual house built for sale, regardless of the number of houses in any one development, when each house is subject to its own mortgage (NHA secs. 203 and 221).

(b) Any apartment type project built to house families forced to move from a slum-clearance area (NHA sec. 221).

Agencies: Federal Housing Administration of the Housing and Home Finance Agency, and military branches responsible for housing under NHA section 803.

5. School Survey and Construction Act, as amended (prevailing wage law) (20 U. S. C. 251 et seq.): This law requires the payment of wages at rates not less than the prevailing rates determined by the Secretary of Labor for work on the construction, alteration, remodeling, or improving of schools in federally affected areas, where financial assistance is furnished by a Federal grant-in-aid program.

Agency: Office of Education of the Department of Health, Education, and Welfare. This agency has delegated its duties with regard to construction to the Community Facilities Administration of the Housing and Home Finance Agency. Therefore, the Community Facilities Administration of the Housing and Home Finance Agency already administers such a program. (See report of HHFA.)

6. Hospital Survey and Construction Act, as amended (prevailing wage law) (42 U. S. C. 291 et seq.): The prevailing wage provisions of this law cover construction contracts made by State or local authorities or private institutions under Federal grant-in-aid programs for the construction of hospitals and other medical facilities such as clinics and nurses' homes.

Agency: Public Health Service of the Department of Health, Education, and Welfare.

7. Federal Airport Act, as amended (49 U. S. C. 1101 et seq.): This law requires minimum wages as determined by the Secretary of Labor to be paid to skilled and unskilled labor employed on contracts of over $2,000 awarded by State or local authorities for construction and repair of their airports with financial assistance from the Federal Government under a grant-in-aid program.

Agency: Office of Airports, Civil Aeronautics Administration of the Department of Commerce.

8. Lease-Purchase Act of 1954: Although not considered a program of district Federal construction, the Bacon-Davis Act itself has been construed by the Department of Labor to apply. Agency: General Services Administration and Post Office Department.

9. Federal Aid Highway Act of 1956: Applies the prevailing wage provision to the Interstate System only.

Agency: Bureau of Public Roads.

Mr. CASE of New Jersey. The Davis-Bacon Act was extended to those programs because it has fulfilled the purposes for which it was created and proven of immeasurable value to construction contractors, contracting agencies, and the American workingman.

As an example, the Davis-Bacon Act of 1935, as amended, which is the basic prevailing-wage law, covers direct Federal construction, alteration, or repair of public buildings or public works, including painting and decorating, where the contract is more than $2,000. It also applies to the initial construction by the States of the Interstate System of Highways authorized by section 108 of the Federal-Aid Highway Act of 1956.

It includes the construction of projects such as Federal buildings, air fields and bases, dams, powerhouses, drainage and irrigation canals, dredging of rivers and harbors, post offices, including post offices and public buildings constructed pursuant to lease-purchase agreements, Army, Navy, and Air Force installations, veterans' hospitals, roads constructed by the Federal Government alone, such as those in national parks, roads constructed as a part of the Interstate System of Highways, and so forth.

It applies to all agencies of the Federal Government and the District of Columbia which directly make construction contracts. Examples are the Department of Defense, including the Army, Navy, and Air Force, the General Services Administration, in connection with public buildings, the Department of the Interior in connection with reclamation and forestry, the Atomic Energy Commission, the Department of Agriculture, the Department of Commerce, as related to Civil Aeronautics Administration, the Bureau of Public Roads, both with respect to direct contracts and State-awarded highway contracts on the Interstate System, and the Veterans' Administration.

The act provides for withholding money from the contractor to pay workers who have not been paid the required wages, and gives the Comptroller General the authority to pay out the money for back wages. To obtain payment of unpaid wages from the money withheld, the employee must file a claim with the Comptroller General. If enough money has not been withheld to cover all underpayments to laborers or mechanics, a

worker who does not receive all that is due him has the right to sue the contractor and the sureties on his bond. It is no defense for the contractor that the worker has accepted or agreed to accept wages at rates less than the rates determined by the Secretary, or has refunded any of the wages voluntarily.

These provisions apply to the United States Housing Act of 1937, as amended, and the Housing Act of 1949, as amended. They cover slum clearance, urban renewal, and low-rent public housing. Construction contracts are awarded by local authorities on projects financed with the assistance of loans and grants from the Federal Government. Laborers and mechanics employed in any part of the development of these projects must be paid not less than the wage rates determined by the Secretary of Labor.

These provisions apply to the Urban Renewal Administration, in connection with slum clearance and urban renewal; and the Public Housing Administration of the Housing and Home Finance Agency, in connection with low-rent public housing.

The prevailing-wage provisions of the law cover housing for defense workers or for military personnel, and also cover community facilities, such as sewers, water lines, streets, and other facilities in defense areas, outside military installations.

These provisions apply under the National Housing Act, as amended, to certain types of housing construction when the mortgage loans are insured by the Federal Housing Administration.

They apply to programs under the School Survey and Construction Act, as amended; the Hospital Survey and Construction Act, as amended; the Federal Airport Act, as amended; and the Lease-Purchase Act of 1954.

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

Mr. CASE of New Jersey. I yield to the Senator from Michigan.

Mr. POTTER. I commend the distinguished Senator from New Jersey for his exposition.

Is it not true that the provisions of the Bacon-Davis Act are now standard clauses in Government contracts?

Mr. CASE of New Jersey. There can be no question about that.

Mr. POTTER. There is an established policy in that connection; is there not?

Mr. CASE of New Jersey. Yes. I was reciting—perhaps at boring length—many areas involving construction by the Federal Government, and construction programs financed by means of grants and loans from the Federal Government, for the purpose of showing what the Senator from Michigan has so well pointed out.

Mr. POTTER. Is it not true that without such provisions in contracts Federal funds might be used to depress the prevailing wages paid in certain areas?

Mr. CASE of New Jersey. The Senator has expressed my viewpoint exactly.

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

Mr. CASE of New Jersey. I yield.

Mr. HICKENLOOPER. I should like to interrogate the Senator from New Jersey on that very point.

It seems to me that there is a fundamental difference between this case and the case in which the Government does the construction directly. In this case it would not be Federal money which would be used by the States or municipalities. It would be their own money, because they would borrow it from the Federal Government. It would be like going to a bank and borrowing the money. It then becomes their money, and they assume an indebtedness.

This is not Federal money which is being expended. It is money of the municipalities and other agencies which would be expended.

I do not see that the Bacon-Davis Act has any application in this case, as compared with the situation in which the Federal Government puts up a substantial portion of the expendable money in connection with a project, and a local group or agency puts up the rest of it. In one case the Federal Government does the construction directly, or puts up the money for the project. In this case the Federal money is only loaned. A debtor-creditor relationship arises between the municipality and the Federal Government. There is a vast difference between the two situations.

Mr. CASE of New Jersey. There is, of course, a difference between the lending of money and the use of money directly in construction by the Federal Government. It is true, as the Senator has suggested, that the original Bacon-Davis Act covered construction by the Federal Government. However, the prevailing-wage provisions of the Bacon-Davis Act have been applied to programs by States and localities in a number of areas, involving exactly the same kind of relationship between the Federal Government and the public agency in the locality, or private agency doing the actual construction. I have detailed a number of examples, and should like to mention a few more for the RECORD. Present loan and guaranty programs to which prevailing wage amendment applies:

Loans: public housing, slum clearance and urban renewal, Defense Housing and Community Facilities Act of 1957.

FHA guarantees: Capehart housing, multiple family, private housing of more than 12 units, Defense Housing and Community Facilities Act of 1951, cooperative housing.

Mr. HICKENLOOPER. I thank the Senator for answering my question. I believe the Senator's theory is wrong in principle. I do not believe the provisions of the Bacon-Davis Act should be applicable. I can justify the Bacon-Davis Act, and I have supported it upon a number of occasions in the past, in what appeared to be proper circumstances. Even though what is proposed has been done before, it is a dangerous course. We are stepping further and further into the role of banker, and telling the borrower what wages he must pay with money which he is borrowing and which he must pay back.

Mr. CASE of New Jersey. I respect the Senator's views, although in this instance I disagree with him.

This is not the ordinary loan arrangement between a bank and a customer. There is definitely involved a subsidy in the form of an interest rate not related to the current rate.

In addition, there is the general proposition that whenever Federal Government resources are used, it is not only proper, but obligatory on the part of the Government, to make sure that such resources are not used for the purposes of depressing local wage rates.

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

Mr. CASE of New Jersey. I yield.

Mr. AIKEN. Is it not possible that money borrowed from the Government by the communities under the proposed legislation might be used in connection with money which the same communities have received as grants from their States?

Mr. CASE of New Jersey. That is true.

Mr. AIKEN. Would it not be ridiculous to say to the communities, "You must separate those moneys. With respect to the part which you receive as grants, the Bacon-Davis Act will apply; but with respect to the loan which you have received at a subsidized interest rate, you may use that money to depress the earning power of the community, to depress the income of the working people, and depress the rate of pay which they receive"? Would not that be a ridiculous situation?

Mr. CASE of New Jersey. It seems to me that the able Senator from Vermont is absolutely correct.

Mr. AIKEN. There is a principle involved, whether or not a point of law is involved. It seems to me that the communities would be pretty smart if they could keep every dollar of grant separate from every dollar of borrowed money in connection with the same project.

I should say that the principle overshadows any question of law, and certainly the Government ought not to go into the business of lending money to be used for the purpose of depressing wages and the earning power of any community.

Mr. CASE of New Jersey. I thank the Senator from Vermont.

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

Mr. CASE of New Jersey. I yield.

Mr. JAVITS. I believe that one other point must not be overlooked. This is an antirecession measure, and one of the primary things we must guard against in an antirecession measure is the breaking down of the wage pattern in a particular area. That is what the Senator from New Jersey is trying to prevent, and that is why I have joined with him in the amendment.

I might suggest also, as the Senator has pointed out so well, that whenever the Federal Government pledges its credit or makes a direct loan, it has a right to establish the conditions under which the money is to be used. This certainly seems to me to be a reasonable condition in order to attain the Federal objective as specified in the law.

Mr. CASE of New Jersey. I am grateful for the Senator's appropriate and accurate comment.

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

Mr. CASE of New Jersey. I am glad to yield to the Senator from California.

Mr. KUCHEL. I have been delighted to associate myself with the amendment offered by my good friend from New Jersey. Is it not correct to say that the verbiage of the bill itself indicates that Congress desires, by enacting the proposed legislation, to alleviate unemployment and sets forth the particular types of public construction for which the $1 billion Government loan shall be available?

Mr. CASE of New Jersey. There can be no question about it. The Senator is absolutely correct.

Mr. KUCHEL. Is it not also true that if the bill were silent on the question of applying the prevailing wage standards, it would be an open invitation to any cutthroat contractor in America to import labor on the basis of depressed wage scales and undermine the economy of a given community?

Mr. CASE of New Jersey. The Senator is unquestionably right. As a matter of fact, that very specific point was emphasized to my senior colleague [Mr. SMITH] and to me by the representatives of the building trades unions when they were in session in Washington.

We are not concerned with an imaginary threat; it is something which in our State of New Jersey has actually happened. Employers from outside the State of New Jersey have come into the State and have bid on public construction. Senators know that public agencies as a rule are required to accept the lowest competent bid. Such people have come into the State and have underbid legitimate New Jersey firms on the basis of migratory labor, and have paid less than the going rate. This is an actual undermining of the wage and labor standards. If it were done with the use of money supplied by the Federal Government, either directly or by guarantee or as a grant or loan, it would be my strong feeling that we would be compounding that very undesirable and unworthy practice.

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

Mr. CASE of New Jersey. I yield.

Mr. ALLOTT. I am not unaware of the argument which has been used, that the money is to be repaid completely by the local community. However, it is true, is it not, that in this instance we are setting up a program which would not take effect unless the Federal Government were advancing the funds? In other words, we can assume that many of the municipal improvements would not be made unless the Federal Government advanced the funds. Is that correct?

Mr. CASE of New Jersey. That is the whole argument and the whole justification for the bill itself.

Mr. ALLOTT. Therefore I wish to join the Senator from New Jersey in supporting the amendment. I did not have an opportunity to cosponsor the amendment, but I wish to join the Senator from New Jersey in the amendment and to say that I shall support it when it comes to a vote. It should be a part of the bill.

Mr. CASE of New Jersey. I am most grateful to the Senator from Colorado.

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

Mr. CASE of New Jersey. I yield.

Mr. PURTELL. I wish to commend the Senator from New Jersey for offering his amendment. It is a very necessary amendment to the pending bill. Is it not correct to say that the provision with respect to prevailing wages is not directed toward the prevailing wages of a State, but of the particular community level at which the work will be performed?

Mr. CASE of New Jersey. The Senator is absolutely correct. The exact language is: "Wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor."

Mr. PURTELL. The purpose of the amendment is not to require more money to be paid, but to provide that the wage levels in the communities in which the work will be done shall not be lowered. Is that correct?

Mr. CASE of New Jersey. The Senator is correct. That is the whole purpose of it.

Mr. PURTELL. I am happy to join the Senator.

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

Mr. CASE of New Jersey. I yield.

Mr. BUSH. I am very glad the Senator from New Jersey has brought up his amendment, which I intend to support. I should like to make it clear for the RECORD that when the vote was taken in committee on the Davis-Bacon amendment, I was not present. However, I left my proxy with one of my good friends, and he voted me in committee against the Senator's amendment on the Davis-Bacon provision. Had I been present at the meeting of the committee I should have voted in favor of the amendment. I do not hold anything but affection for my colleague who voted as he did. I am sure he did it in what he thought was my interest. Nevertheless, I wish the RECORD to show that it is a fact that I should have voted for the Davis-Bacon amendment submitted by the Senator from New Jersey had I been in attendance at the meeting. I shall join the Senator from New Jersey in supporting his amendment.

Mr. CASE of New Jersey. I appreciate the Senator's statement.

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

Mr. CASE of New Jersey. I yield.

Mr. THYE. I wish to commend the distinguished Senator from New Jersey and those who have joined with him in sponsoring the amendment. The amendment is a very proper one. It would safeguard the worker. It would also safeguard the contractor against various competitive actions which could be taken by an unscrupulous contractor, who might come into an area expecting to hire men at a lower wage than he would otherwise have to pay, and in that way be able to bid lower on the job than the other contractor would be able to bid. That would result in a loss not only to the worker but also, ultimately, might be reflected in a loss to the contractor.

Therefore the amendment is a proper amendment, and I shall certainly support it.

Mr. CASE of New Jersey. I thank the Senator from Minnesota.

Mr. FULBRIGHT. I should like to withdraw my objection to the second or last unanimous-consent request in connection with the Senator's amendment. I withdraw my objection to that unanimous-consent request.

The PRESIDING OFFICER. Without objection, the amendment will be modified on page 1, line 7, by striking the word "Act" and inserting in lieu thereof the word "title."

Mr. CASE of New Jersey. Mr. President, I wish to speak very briefly to a few objections which have been suggested to the amendment. One is that it would delay the awarding of contracts.

The Davis-Bacon Act does not delay the awarding of construction contracts. During the past 5 years the Department of Labor has reduced the time required to process wage determination requests to a minimum. The regulations of the Department of Labor provide that requests by the contracting agencies for wage determinations be submitted 30 days in advance of the advertisement for bids. Thus during the same time that architectural, engineering and other specifications are being prepared a wage determination is being processed. The Department of Labor, on its existing programs, has well established sources of information and procedures which make possible the issuance of accurate prevailing wage determinations without the necessity, except in rare instances, for on-the-spot wage surveys. On the average, wage determinations are issued in less than a week following the agency request.

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

Mr. CASE of New Jersey. I yield.

Mr. IVES. Is it not true, may I ask the Senator from New Jersey, that the Department of Labor has on hand at all times records concerning the standard of wages throughout the country?

Mr. CASE of New Jersey. That is true. I have just made that point in my summary.

Mr. IVES. I so understood. Practically automatically, when a question arises, the Department of Labor can secure the information almost immediately.

I have spoken with some of those who are opposed to the amendement. They say it would cause delay. But automatically, almost overnight, the Department of Labor can ascertain the prevailing rate in any section of the country. So no project would be held up.

Over the years I have had something to do with the subject of prevailing wages. Since I have been in the Senate, I have participated in getting such a provision into several bills.

I commend the Senator from New Jersey for leading the way in putting the prevailing wage provision into the pending bill. I hope it will prevail; I feel certain it will.

The provisions of the bill do not make a grant. I will admit that. They do not propose anything of that type, whereby the Government might feel it had a right to say how the money was to be used.

But I leave it to the Senate to decide whether, when the Government lends money to anyone, the Government does not have the right to say how the money shall be used. That is all that is involved. We are not giving the money away, so we do not have any control over what it shall be used for. But even though we do not have such control, I think we have a right to determine how the money shall be used, because we provide the money.

I thank the Senator from New Jersey.

Mr. CASE of New Jersey. I am very much obliged to my colleague from New York.

The prevailing-wage requirement has behind it a quarter of a century of experience. It has not delayed any program. During World War II the construction industry built defense facilities throughout the Nation in record time. Credit for facilitating this performance and avoiding disputes was attributed in large measure to the prevailing wage requirement.

In an overwhelming number of cases involving the interstate highway program last year, which affords an example of the applicability of the prevailing wage rate principle, determinations have been speedily arrived at.

No program is perfect. The application of the Davis-Bacon Act is no exception. But in the overwhelming number of cases involving, for example, the interstate highway program, which is the latest example of the applicability of the prevailing-wage principle, the determinations have been fair, speedily arrived at, and not burdensome from the standpoint of cost.

Last year the Department of Labor issued 28,065 wage determinations. This year the figure is expected to reach 34,000. These will involve upward of 3½ million separate craft minimums established throughout the the United States and its Territories. Think of that, Mr. President: In 1 year, 3½ million determinations. Yet less than 1 percent of the minimums were protested, and of these, only one-third of the challenges were allowed.

Several opponents of the prevailing wage concept have now decided that the experience with the highway program has been beneficial. I should like to refer to several statements concerning that point.

The interstate program was approved in 1956. On January 8, 1957, W. A. Bugge, then president of the American Association of State Highway Officials, said this before the Senate Roads Subcommittee:

> The State highway departments are for the first time under the act of 1956 cooperating with another Federal agency, the Department of Labor. We wish to say that Solicitor Stuart Rothman of the Labor Department and his staff have displayed a most sincere, cooperative attitude in their dealings with the (State highway) departments and have expeditiously furnished prevailing wage rates.

On January 29, 1958, C. R. McMillan, head of the South Carolina Highway Department, and now president of the American Association of State Highway Officials, testified before the House Public Works Committee. The testimony developed these points:

> Representative GEORGE. Have your labor costs gone up extensively in your State due to that (prevailing wage provision)?
>
> Mr. MCMILLAN. Not much. As a matter of fact, down in the South we expected more trouble out of that than we have encountered. I personally am well pleased with the way we are getting along on it.
>
> Representative GEORGE. That is all, Mr. Chairman.
>
> Representative BECKER. I want to pursue that one question.
>
> Do you find that the provisions of the Davis-Bacon Act, just mentioned by Mr. GEORGE, are not working any hardship up to the present time?
>
> Mr. MCMILLAN. No, sir.
>
> Representative BECKER. Is that a report of your association?
>
> Mr. MCMILLAN. It causes a little additional redtape, but that's about all.
>
> Representative BECKER. Generally it is working out all right?
>
> Mr. MCMILLAN. I have not heard from any State that had any big gripe about it.

Others, too, have testified to the effectiveness of these provisions as applied to the interstate roads program.

Secretary of Commerce Weeks told the Senate Roads Subcommittee on January 7, 1957 that "the predeterminations, I would say, are moving along very satisfactorily."

At the same hearing, John A. Volpe, former head of the Massachusetts Highway Department and later Federal Highway Administrator, agreed that in 90 to 95 percent of the cases, "the wage rates predetermined by the Department of Labor had been almost the exact figures which were developed by the State highway departments, with some minor changes."

Then, on January 9, 1957, Mr. Volpe testified before the same Senate subcommittee as to his own experiences in Massachusetts before he came to Washington to head up the program:

> I know that in my own case, I wired down for approval of wage rates which we had had predetermined by our Department of Labor in Massachusetts and within 48 hours I had a telephone call back indicating to me that those wage rates had been approved and gave us permission to advertise for bids.

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

Mr. CASE of New Jersey. I yield.

Mr. MORSE. I am pleased to support the amendment offered by the Senator from New Jersey this year, as I have supported the principle of the amendment in years past. Obviously, it is a fair, sound, and just amendment. I am pleased to associate myself with the Senator's position on this particular amendment.

Mr. CASE of New Jersey. I thank the Senator from Oregon.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement by Andrew J. Biemiller, director of the legislative department, American Federation of Labor and Congress of Industrial Organizations, before the Senate Committee on Banking and Currency on the proposed Community Facilities Act of 1958.

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

STATEMENT BY ANDREW J. BIEMILLER, DIRECTOR OF THE LEGISLATIVE DEPARTMENT, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS, BEFORE THE SENATE BANKING AND CURRENCY COMMITTEE ON PROPOSED COMMUNITY FACILITIES ACT OF 1958 (S. 3497), MARCH 25, 1958

I appreciate the opportunity to appear before your committee today to express the views of the American Federation of Labor and Congress of Industrial Organizations on the proposed Community Facilities Act of 1958, S. 3497.

At the outset, let me commend the chairman of this committee, Senator FULBRIGHT, for his prompt recognition of the important role that an expanded local public-works program can play in the critical recession now confronting the Nation. We are most happy that this committee is losing no time in tackling this important issue.

I am sure that it would be superfluous for me to devote much time to a description of the serious economic downturn that this Nation has witnessed during the past few months. Full-time unemployment exceeds 5 million. Some 6.7 percent of the labor force is unemployed in the Nation as a whole, and in some States the rate is more than twice as great. Approximately 30 percent of our industrial capacity is standing idle. As of now, no upturn is in sight.

Both the Congress and the administration have already taken some steps to halt the economic decline. Largely through the initiative of this committee, the Congress has already passed an antirecession housing bill. Existing public-works programs are being speeded up. Other measures are currently receiving consideration in both the executive and legislative branches of the Government.

What has been done thus far is all to the good, but it is far from enough. We need much more decisive action if we are to stem the mounting tide of unemployment and put America once more on the road to prosperity.

We, therefore, welcome the introduction of S. 3497 because we believe its enactment will provide an important weapon in the Nation's fight against the recession. But it alone will by no means assure the success of that effort.

Let me stress one point which we in the labor movement feel most strongly. The Nation is not confronted here with a choice of alternative programs. This is not an either-or proposition. On the contrary, what America needs—and needs promptly—is a comprehensive antirecession program in which no measure will be omitted which can in any way help to restore the Nation's prosperity and put the jobless back to work.

The accelerated and expanded local public works program which S. 3497 would make possible is one important part of the needed comprehensive program. As I shall develop in greater detail in a moment, however, enactment of S. 3497 will probably not immediately stimulate economic activity and employment to any significant extent.

This means that other measures are needed which will have a more immediate impact. Since they are not within the purview of this committee, I shall merely list them. Purchasing power can be boosted immediately by increasing exemptions under the income tax by at least $100, raising unemployment benefits and extending their duration, improving benefits under the social-security program and extending coverage of the Fair Labor Standards Act.

Enactment of these measures now will give the economy the quick shot-in-the-arm which is desperately needed. It will provide the delaying action which can give full effect later on to public works, housing, school construction, and other programs that necessarily require more time before they can appreciably influence the course of the economy. Expansion and acceleration of community facilities and local public works construction is one of the most important measures in this second phase of antirecession action.

S. 3497 would authorize a $2 billion revolving fund to be used for loans to localities for construction of local public works, including streets, hospitals, schools, parks, waterworks, sewage facilities, and other necessary community facilities. Loans would be made available at the average cost of money to the Government, plus one-fourth of 1 percent to cover administrative expenses, currently a total of about 3 percent. The repayment period would be a maximum of 50 years except that there is a provision for a maximum 5-year postponement of repayments of principal or interest or both. The loan program would be administered by the already existing Community Facilities Administration within the Housing and Home Finance Agency.

In the very short time since the announcement of this hearing, we have attempted to make a limited survey of the overall national picture as well as a spot check of the specific situation in a few communities. In this quick survey, we have sought to determine what effect enactment of S. 3497 might have and what changes, if any, we might suggest in the program as contemplated.

It is our understanding that S. 3497 is intended to expand local public-works programs. This means that it will add to construction which is expected to take place even without the additional funds S. 3497 would make available. As the members of this committee are no doubt aware, local public works have been expanding rapidly in recent years, even if not sufficiently to keep pace with rapidly expanding community requirements. Therefore, plans have already been developed for a considerable amount of local public works. On the other hand, the recession and the consequent fall in local revenues could, if no additional funds are made available, slow down available local public-works construction from previously scheduled levels.

All of this suggests that to expand local public works beyond the presently contemplated levels, the big bottleneck may very well be planning and other preliminary steps required prior to actual construction. While some local public works have been planned and are or soon will be ready to go ahead, they will probably not add significantly to public works already slated for construction. It is our impression that most projects, over and above those already scheduled, are not on the shelf, in the sense that plans and specifications have been completed and the projects are ready for construction.

What this means is that, even though a considerable number of projects are already planned, there will probably be a delay of upwards of at least 6 months before the additional projects S. 3497 might make possible would be ready for construction. The limited but absolutely necessary funds for planning local public-works projects should, therefore, be expanded immediately to assure maximum speed in readying the projects for inspection.

Of course, the length of time required for planning, receiving bids, and other preliminaries will vary depending on the project and the community. Nevertheless, it seems fairly certain that, with the best will in the world, very few of these additional projects could be made ready for the construction stage before the end of 1958. If you take into account the seasonal effect of constructional activities in the early months of the year, it seems probable that the program authorized by S. 3497 will not really begin to have a significant impact on economic activity and employment until about a year from now in the spring of 1959. But at that time, it could contribute importantly to economic recovery if other measures with a more immediate impact are taken now.

It is our impression that the financial terms for loans authorized by S. 3497 would be quite attractive to some, but by no means all, communities. Those with very high credit ratings can already obtain funds in the bond market on even more favorable terms. While some would be attracted by the relatively long repayment period and the 5-year postponement of repayment, others apparently would not. The cities in the latter category would shy away from the increase and costs resulting from the long repayment period. On the other hand, some communities, up against debt ceilings or other limitations on borrowing, would be prevented from applying for loans no matter how favorable the financial terms offered.

These considerations would seem to indicate that if S. 3497 is to have maximum effect, it would probably be desirable to provide for a more flexible financing mechanism. In particular, we urge the committee to consider the possibility of a lower interest rate and also grants covering at least part—say one-third to one-half—of the cost of the project wtih the balance available in the form of a low-interest, long-term loan. We believe that some such supplementary types of financial assistance will be needed if the antirecessionary impact of the expanded local public-works activity is to be as widespread as possible throughout the country.

Projects made possible under S. 3497 will involve Federal financial assistance and, therefore, it is appropriate that workers employed on these projects have the protection of minimum labor standards. We, therefore, request that an amendment be inserted in S. 3497 providing for predetermination of prevailing wage rates under the Davis-Bacon procedures as well as provision for a maximum 40-hour workweek with payment after 40 hours at time and one-half the regular rate.

In conclusion, I would like to mention one additional aspect of this legislation. We recognize that S. 3497 has been proposed primarily as an antirecession measure. With the modifications we have suggested and as one part of a comprehensive antirecession program, we urge its enactment on that basis. Nevertheless, we would emphasize that the local public-works projects—the streets, water and sewerage facilities, hospitals, schools, parks, and other community facilities—this bill would make possible are desperately needed in good times as well as in bad. Indeed, in view of the almost literal explosion of population in our urban areas, there can be no doubt that these projects have been, in all too many cases, much too long delayed. Lack of many of these facilities is thwarting the orderly growth of communities throughout the country. We would, therefore, urge the committee to recognize that while construction of these needed facilities can play an important role in restoring our Nation's prosperity, they are also required because of their intrinsic value for community development. Even in good times, therefore, Federal assistance for these programs will be needed and should not be abruptly shut off when the economy resumes its upward course.

On behalf of the AFL–CIO, therefore, I urge that this committee recommend to the Congress immediate enactment of S. 3497 with addition of the modifications I have suggested. We are confident that this program, as one part of an overall antirecession program, can help restore America's prosperity and, at the same time, make our cities better places to live and work in.

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a very enlightening article entitled "Prevailing Wages for Federal Highways," published in the magazine Engineering News-Record for January 23, 1958.

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

PREVAILING WAGES FOR FEDERAL HIGHWAYS—A LEGISLATIVE PROVISION THAT MANY QUESTIONED HAS SEEN NEARLY A YEAR AND A HALF OF SUCCESSFUL ADMINISTRATION

Administration of the prevailing-wage provision of the Federal Aid Highway Act of 1956 has neither hamstrung nor delayed the Federal highway program. Contrary to the initial fears of many, it has been decidedly successful.

The provision—which calls for the payment of minimum wages not less than those prevailing for the same type of work on similar construction in the immediate locality—has been in effect for 17 months. Here's the record achieved as reported to Engineering News-Record.

From the inception of the program in July 1956 to January 3, 1958, 2,614 wage determinations were issued by the United States Department of Labor. Number challenged has been nominal. Wage determinations have been issued expeditiously and advertisements for bids have not been delayed because of this requirement.

Through the use of the Department's regional offices, most of the preliminary work has been decentralized. Participation by interested parties at the local level has been encouraged and promoted. New forms and new rules have been kept to a minimum. The rule of reason has been used in interpretation. Education and prevention have been emphasized in enforcement.

Success of the program is attributed largely to two factors—advance planning and excellent cooperation from State highway officials, contractors, and labor.

LAW

The law requires payment of prevailing wages to laborers and mechanics employed on the Interstate System and applies to all contractors and subcontractors doing initial construction work. Required rates are in terms of straight time.

The provision is a Congressional extension of the Davis-Bacon Act, which Labor Department Solicitor Stuart Rothman says has been a stabilizing influence in the construction industry and a bulwark of protection for the working man against substandard wages.

Wage determinations for each project—which means each contract—are made by the Secretary of Labor. In making a determination, he is required by law to consult with the highway department of the State in which the project to which it applies is located. Labor Secretary Mitchell has been determined to see to it that this requirement is carried out to the fullest possible extent. Controlling factor for each determination is project data—rates that have been paid on similar projects in the area.

NOTHING NEW

Because determination of prevailing wages is nothing new, the Labor Department reports that it hasn't had to make any substantial technical or administrative changes for handling wage requests for highway purposes.

It merely has superimposed consultation with State highway officials on existing Davis-Bacon procedure. Hiring of addi-

tional personnel to handle the extra workload has been necessary but the new employees have been integrated into the overall operation of the Davis-Bacon and related laws. (Questions have been raised in and out of Congress, however, about the use of Highway Trust Fund money to help defray the extra administrative costs incurred by the Department as a result of the program.)

As part of the planning that has spelled success for the program, the Labor Department has taken three steps:

It has decentralized the work preliminary to determinations by channeling information on highway programing, project wage data and requests for determinations through the Department's 10 continental regional attorneys.

Form DB–11 (a) has been introduced for requesting highway wage determinations.

Form 174 has been devised as the medium for submitting project data by State highway departments.

These procedures have simplified and expedited administration of the law and provided a forum at the local level for participation by all interested parties.

At this level, personal contact with State highway officials is maintained, wage requests are checked for completeness, the supporting wage data is gathered and updated, and conflicts are resolved before the material is sent to Washington for final determination.

It is at this level, too, that lists of prospective contracts giving location and proposed bid date are received from the State highway departments and then forwarded to the Labor Department. In this way the Department, at local and national levels, can plan ahead for future requests and avoid bottlenecks that might otherwise occur.

TIMING

State highway departments have been asked to submit wage determination requests 30 days before the proposed advertising of bids. (Once issued, a wage determination remains alive for 90 days and then expires unless the contract in question has been awarded.)

Ordinarily, the Labor Department says, it likes to have a 45-day notice of planned requests for wage determinations. Sometimes, however, it is forced to use the crash approach—its first highway determination was for the Fitzgerald Expressway in Boston and the determination was put in the mail the day the phone request was received. But highway departments have been urged to plan ahead sufficiently to keep such emergencies to a minimum. For the most part, the Department has been able to hold or expedite requests to accommodate both the bid advertising date and the 90-day period.

PROTESTS

Of the 2,614 determinations issued through January 3, 1,330 were rendered after June 28, 1957.

Each of these contains a multiplicity of wage minimums because the determinations must be made on an individual craft basis. The first 2,200 determinations, for example, embraced more than 220,000 minimums.

Mr. Rothman has reported that less than 1 percent of the minimums established have been challenged. He considers this an infinitesimal number compared with the number of determinations issued.

DEFINITIONS

To further expedite administration of the program, the Labor Department has from time to time clarified its concept of the terms Congress used in the law. Some of the terms are standard Davis-Bacon phrases; some are new. Present approach to the principal ones are these:

The law is not considered applicable to clerical, supervisory, or nonmanual workers. Criterion is the specific nature of the duties performed, not the arbitrary classification used. Rulings have been issued on certain types of relocation and demolition or removal work, affording guides as to what is initial construction and thus covered by the law. General test has been whether the work is incidental to, or an integral part of, an interstate contract.

"Immediate locality" is considered a flexible term. Mr. Rothman has said the area is not necessarily a political subdivision and should be large enough "to yield an adequate factual basis for each wage determination, yet be small enough to reflect only the wages and practices of the area immediately surrounding the location of the proposed project."

"Similar construction" is taken to mean highways or "construction most similar to interstate highway construction" and is not regarded as having effected "any substantial change" in previously existing wage determination procedures.

ENFORCEMENT

Primary responsibility for assuring compliance rests with the Bureau of Public Roads. But the Secretary of Labor is responsible for coordinating the enforcement. The Labor Department believes effectiveness of the program lies as much in enforcement as in administration.

Emphasis has been placed on education and prevention. Most common irregularities that have been noted and called to the attention of those engaged in the highway program are:

Misclassification of workers, such as carrying and paying as a laborer a man who performs the work of a plumber or carpenter.

Use of apprentices not registered in the Federal apprenticeship program.

Failure to maintain a proper ratio of apprentices to journeymen.

Failure to post wage determinations at construction sites.

Performance of work by craftsmen for a lump sum under the guise of a subcontractor.

Classification of a working craftsman as a foreman and payment of a flat weekly salary regardless of the number of hours worked.

As part of its prevention program, the department has urged preconstruction conferences between the contracting agency and the contractor, and construction site spot checking of classifications against actual work performed.

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the RECORD at this point telegrams I have received favoring the amendment.

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

NEWARK, N. J., *April 1, 1958.*

Senator CLIFFORD P. CASE,
Senate Office Building,
Washington, D. C.:

Heartily support your amendment to Community Facilities Act guaranteeing workers the same provisions of the Davis-Bacon Act. Feel your amendment would guarantee success of the aims and purposes of the proposed act. Have wired Senator SMITH urging his support. Sending copy of wire to SMITH by mail.

LOUIS P. MARCIANTE,
President of New Jersey Federation of Labor.

PATERSON, N. J., *March 31, 1958.*

Senator CLIFFORD P. CASE,
Senate Office Building,
Washington, D. C.:

The New Jersey State Building and Construction Trades Council supports your efforts to amend the Community Facilities Act to include Davis-Bacon provisions. The inclusion of the Davis-Bacon Act will help to continue fair working standards and promote fair competition.

SAL MASO,
President, New Jersey State Building and Construction Trades Council.

WASHINGTON, D. C., *April 2, 1958.*

Hon. CLIFFORD CASE,
Senate Office Building,
Washington, D. C.:

On behalf of the members of our international union residing in your State, we request you to vote for Case prevailing wage amendment to Fulbright S. 3497 community facilities billion dollar loan public works program offered during debate Tuesday.

This Davis-Bacon prevailing wage provision necessary to protect existing prevailing wage conditions. Federal tax money should not be used to destroy prevailing wage conditions. Similar provisions exist in other Federal laws. United States Public Housing Act of 1937, a loan program, contains similar provision as does FHA insured loans on multifamily rental projects and grant programs such as Hill-Burton Hospital Act, Federal Airport Act, and Interstate Highway Act of 1956, and other similar acts including Lease-Purchase Act of 1954.

We understand move will be made for record vote on the Case prevailing wage amendment. Respectfully request you vote for a record vote.

GORDON M. FREEMAN,
International President.
JOSEPH D. KEENAN,
International Secretary, International Brotherhood of Electrical Workers, AFL–CIO.

WASHINGTON, D. C., *March 31, 1958.*

Hon. CLIFFORD CASE,
United States Senate,
Washington, D. C.:

On behalf of the 3 million skilled building tradesmen respectfully request you vote for Case prevailing wage amendment to Fulbright S. 3497 community facilities billion dollar loan public works program to be offered during debate today, Tuesday.

This Bacon-Davis prevailing wage provision necessary to protect existing prevailing wage conditions. Federal tax money should not be used to destroy prevailing wage conditions. Similar provisions exist in other Federal laws United States Public Housing Act of 1937. A loan program contains similar provisions as does FHA insured loans on multifamily rental projects, grant programs such as Hill-Burton Hospital Act and Federal Airport Act, and Interstate Highway Act, and other similar acts including Lease-Purchase Act of 1954.

I understand move will be made for record vote on the Case amendment. Respectfully request you vote for a record vote.

RICHARD J. GRAY,
President, Building and Construction Trades Department, AFL–CIO.

WASHINGTON, D. C., *April 1, 1958.*

Hon. CLIFFORD CASE,
Senate Office Building,
Washington, D. C.:

Request support on vote on floor for prevailing wage provision in pending community facilities bill.

GEORGE MEANY,
President, AFL–CIO.

Mr. CLARK. Mr. President, I commend the distinguished Senator from New Jersey and his colleagues for having sponsored the amendment and for the very able presentation which the Senator from New Jersey has made in support of it. I think it should be noted

that the amendment will have wide support on both sides of the aisle. This is not a partisan proposal.

It was a distinguished Republican predecessor of mine in the Senate from the Commonwealth of Pennsylvania, "Puddler Jim" Davis, who sponsored the initial legislation. But during the great days of the Franklin D. Roosevelt and Harry S. Truman New Deal, the legislation received impetus and expansion for which I think my party is entitled to take a great deal of credit. Indeed, there are a number of us on this side of the aisle, including three members of the Committee on Banking and Currency, who would have been happy to have sponsored the amendment had they been given the opportunity to do so. I do not deplore the fact that my good friend from New Jersey did not give us such an opportunity. That was certainly his right. I merely point out that we would have been glad to go along with the amendment if we had the chance.

This bit of proposed legislation is sound in principle. It is true that it has been rarely extended to Government loans, but has usually been confined to Government grants. However, the principle is sound. We should have a prevailing wage amendment with respect to every single facility in which the Federal Government interests itself.

Only 3 weeks ago, by a divided and completely bipartisan vote, the Senate attached a condition to the highway bill which makes it possible to achieve the desirable result of regulating billboards on the Federal Interstate Highway System. While the analogy is not exact, it is close enough, in my judgment, to point out, as the distinguished Senator from New York [Mr. IVES] said a while ago, that wherever the Federal Government extends its credit, it has absolutely the right, and I suggest it also has the obligation, to impose on the use of such credit conditions which are in the public interest.

There can be no doubt whatever in my mind that it is very clearly in the public interest to require that when Federal money is used, it shall not be used for sweatshop labor rates or for knocking down the prevailing rates in a community or for generally taking away from the average laboring man the fair wage which Uncle Sam should be the first to support.

I am happy to join with my colleagues on the other side of the aisle in sponsoring the amendment.

I again congratulate the Senator from New Jersey. I hope my colleagues on this side of the aisle will see the matter in the same light as do those of us who are so much interested in supporting the rights of labor and that they will work toward securing favorable action on the amendment.

Mr. CASE of New Jersey. I thank the Senator from Pennsylvania for everything he has said. He is completely correct in stating that the Senator from Illinois [Mr. DOUGLAS], who sits by his side, and the Senator from Wisconsin [Mr. PROXMIRE], also on his side of the aisle, voted for the amendment in the committee. The only reason the Senator from Pennsylvania was not asked to join as a cosponsor was entirely due to the exigency of the situation, When I expected a vote on the bill itself, I had to offer the amendment promptly. I did not see any cosponsors. Several of my colleagues, because of their physical proximity, were told about the amendment and asked if they could become cosponsors at the same time. I should have been happy indeed to have the Senator from Pennsylvania as a cosponsor.

Mr. CLARK. I thank the Senator from New Jersey.

Mr. FULBRIGHT. Mr. President, I wish to make a few observations.

The Senator from New York made a very strong statement that the Senate has a right to impose the requirements of the amendment in the case of any program in which the Federal Government is involved. Mr. President, I do not question the right—in the sense of "power"—to impose the amendment in the case of any program the Congress authorizes. The question is purely one of wisdom.

Let me point out that the Davis-Bacon Act is not applied to Small Business Administration loans. If it were, I am sure it would limit that activity. It is not required in the basic FHA program. In other words, today a private borrower who wishes to build a house under the FHA does not have to abide by the provisions of the Davis-Bacon Act.

Certainly, after the last action taken by the Senate—I refer to the action making the interest rate 3½ percent—it cannot be shown that any subsidy is involved. As a matter of fact, the Federal Government will make a substantial profit out of this lending program. Granted that it will be a limited program with such a high interest rate, yet the pending proposal to increase the cost to the borrower would, I should think, very greatly limit the application of the act.

Adoption of the pending amendment would so greatly limit the desirability of loans under the program that there might be very little activity under it. I think the amendment is a very good indirect way of scuttling the effectiveness of the program.

I would much prefer that Senators who are opposed to the proposed legislation vote against it, rather than add to it amendments which would so drastically limit its effectiveness. But of course that is an old practice in legislative bodies.

Furthermore, the amendment does not follow very literally the provisions of the Davis-Bacon Act. The amendment is a conglomerate one which is modeled after the Davis-Bacon Act, but also is modeled after the provisions of the Federal-Aid Highway Act. For example, the Davis-Bacon Act provides the following—and now I read from an official copy of that act—in regard to "area": "work in a city, town, village, or other civil subdivision of the State in which the work is to be performed."

Instead of that language, the amendment of the Senator from New Jersey uses the words "in the immediate locality," which is not the language of the Davis-Bacon Act, but is, instead, language taken from the Federal-Aid Highway Act. Of course, there are very good reasons for that distinction.

Mr. President, at the conclusion of my remarks I shall inquire of the Senator from New Jersey whether, so long as the Senate is to vote on such an amendment, he will be willing to modify it in such a way as to make it more similar to what it purports to be, namely, an application of the Davis-Bacon Act.

The amendment was submitted in the Banking and Currency Committee, and was rejected by the committee.

There are many reasons for opposing the amendment, although of course I realize that some Senators will vote for it.

My remarks—which will be very brief—will be directed to Senators who may favor the amendment in principle, but who should not vote to have the amendment adopted as a part of the pending bill.

The pending bill has been brought forward as an antirecession measure. I can understand that Senators who do not think a recession exists would vote against the bill. Certainly there is a difference of opinion between the administration and many Members of this body on the subject of whether a serious recession or depression really exists.

If the pending bill is a valid antirecession measure and if the bill is to achieve its purpose, it must operate to accelerate the commencement of local public works projects. On the other hand, I am convinced that the pending amendment would certainly cause delay in the processing of loan applications, and it certainly would cause delay in the preparation of estimates of construction costs, the preparation of specifications inviting bids, in the preparation of bids, and in the commencement of construction.

Certainly this is not the time to burden an emergency measure of this kind with an amendment which would cause delays.

Mr. President, the pending bill is not labor legislation. The bill has been reported by the Banking and Currency Committee, and modifies an existing loan program. Certainly, the Banking and Currency Committee gave no serious consideration to the effect of this amendment. The question of wages is one for the deliberation of the Committee on Labor and Public Welfare.

Mr. IVES. Mr. President, at this point will the Senator from Arkansas yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Arkansas yield to the Senator from New York?

Mr. FULBRIGHT. I yield.

Mr. IVES. I should like to ask the distinguished Senator from Arkansas if it is not a fact that in the Federal-aid highway bill which recently was passed by the Senate, the Public Works Committee established the procedure to be followed in this connection. The Senator from Arkansas has already pointed out, I believe, that the language of the amendment is substantially the same as language contained in the highway bill.

Mr. FULBRIGHT. That is correct.

Mr. IVES. That bill was not referred to the Committee on Labor and Public Welfare for its consideration.

Mr. FULBRIGHT. I also opposed this proposal in the case of the Federal-aid highway bill. I think it was wrong to include such language in the measure relating to the highway program.

It has been said that the amendment provides language to be found in the Davis-Bacon Act. However, as the Senator has agreed, that is not the case; the language of the amendment is not the language of the Davis-Bacon Act. Instead, the language of the amendment is taken from the Highway Act.

Many persons have an emotional attachment to the Davis-Bacon Act, for reasons perhaps going far beyond the field dealt with by the pending bill. But I have shown clearly that the amendment does not propose to include in the pending bill language to be found in the Davis-Bacon Act.

Mr. President, I do not believe the Senate should be asked to vote upon this question, in the absence of a study made by the Committee on Labor and Public Welfare. Even Senators who favor the Davis-Bacon Act itself should not be asked to support an amendment which has not been considered by that committee.

The pending bill does not authorize Federal construction of any kind. In my opinion, this is the principal distinction. The pending bill authorizes loans for State and local projects.

The philosophy of the Davis-Bacon Act is concerned with the public policy that Federal contracts should never operate to depress wages prevailing in a place where Federal construction projects are undertaken. I realize that this philosophy has been appended to Federal programs in some cases in which the Federal Government is not the contracting party; but I believe such actions in the past have been unwise, and that the public policy in this field should be considered by the Congressional committees which have the jurisdiction over matters pertaining to labor-management relations.

I believe that extensions of the Davis-Bacon Act should be accomplished by amending that act, not by amending proposed legislation which originated in committees other than the Committee on Labor and Public Welfare.

I urge the Senate to reject the amendment because adoption of the amendment would substantially negate the purpose of the pending bill by causing delays in State and local projects. The amendment would effect a change in labor legislation which has not been considered by the appropriate committee of the Senate.

Although I am opposed to the amendment, I would suggest that the Senator who has submitted the amendment at least consider modifying or amending it, if he will, in such a way that, if the amendment should be adopted, most of the principal objections to it would be removed.

For example, I would think that language expressing the concept of the "area" in which a prevailing wage determination is to be made should be revised in such a way as to include language identical to that to be found in the Davis-Bacon Act.

Furthermore, as I have said, the language expressing the similarity of a contemplated project with other projects in the area should be revised so as to make it identical with language now appearing in the Davis-Bacon Act.

The amendment of the Senator from New Jersey uses language similar to that contained in the Federal Aid Highway Act of 1956, which is not appropriate for the types of construction contemplated by the Community Facilities Act.

There was good reason for using different language with respect to highways which run across the country, and would not be confined to a particular area, where as the procedures under the Davis-Bacon Act are confined to a particular area.

I would also urge the Senator who has submitted the amendment to accept an amendment or a modification of it in such a way that it would not be applicable to projects of $250,000 or less; or, to state the matter in the opposite way, so as to make the amendment apply only to projects of more than $250,000. The reason is that the smaller communities are the ones which do not have an established prevailing wage rate under past actions on the part of the Department of Labor. Thus the amendment, if adopted without change would cause added delay in such cases. It would also cause much greater difference in the bids and in the contemplated costs.

So I would dislike to see the Senate adopt an amendment which practically would exclude the very communities which need most the benefit of legislation of the kind now proposed.

I would also urge the Senator from New Jersey to accept an amendment which would give the Administrator at least the power to waive the application of the Davis-Bacon Act where he feels there would be an undue delay in the determination of the prevailing wage rates and that it would unduly delay the construction which is contemplated.

I do not know how the Senator would react to that suggestion.

I still think the pending proposal goes far beyond the proper scope of an anti-recession measure.

I hope that the distinguished Senator from New Jersey will be willing at least to limit the application of the Davis-Bacon Act to the larger projects, before the Senate votes on his amendment.

SEVERAL SENATORS. Vote! Vote!

Mr. CASE of New Jersey. Mr. President, I feel I should reply to the suggestion made by the chairman of the committee. Nothing would please me more than to say I agree to all the suggestions he has made. I am afraid I cannot agree. I feel those which are technical in nature are not desirable. The amendment was worked out on the basis of experience under the Davis-Bacon Act and the deliberations of the committee dealing with the highway bill.

On the two questions of major substance, whether the application of the Davis-Bacon Act should be limited to construction programs involving more than one-quarter of a million dollars, it seems to me it would defeat the very purpose we are trying to accomplish and in the very places we are trying to obtain the objective. I see no need to provide for giving the power to waive the provisions of the amendment to the Secretary of Labor or any other person, because there is no history at all of projects being delayed because of the need for such determination. As I pointed out in my initial statement, in a single year approximately 3½ million craft minimums will be established.

Mr. DOUGLAS. Mr. President, I rise in support of the amendment of the Senator from New Jersey, and wish to commend him for offering it.

There are certain misconceptions which seem to be quite current and which need to be explained. One misconception to which I think the Senator from New Jersey did not allude, but which some Senators entertain, is that the Davis-Bacon Act provisions and the provisions of the amendment of the Senator from New Jersey would require big-city wages to be paid in small communities. That is not the case. It is true that in one instance, in 1949, I believe, the Washington wage scale was applied to communities in the Shenandoah Valley in Virginia. I think that was a mistake, I think it was unique; but it has never, to my knowledge, been repeated.

What the Secretary of Labor does is to ascertain the prevailing wage in the county or locality of the work. I think he never goes beyond the county. The idea that Chicago wages should be applied throughout Illinois, or that Washington, D. C. wages should be applied throughout Virginia, or that New York City wages should be applied throughout the upper part of the State of New York is completely incorrect.

Another misconception is that the proposal is a unique and an unprecedented extension of the Davis-Bacon Act principle. The Senator from New Jersey correctly pointed out that substantially the same provision is required in a number of cases where Federal grants are made. He gave a very impressive list.

It should also be noted the same principle is applied in the case of the National Housing Act, under which the FHA operates. It is applied in the case of multiple-family apartments, where the Federal Government neither makes a grant nor makes a loan, but merely establishes an institution which insures loans that are made. It goes far beyond the loan provision that extends to the field of insurance where direct Federal Government outlays or loans have been made.

Very frankly, Mr. President, the real objections to the Davis-Bacon amendment are seldom stated, but they are that it would prevent many localities from breaking down the wage scales. There are a great many groups which would like to use the pressure of unemployment to force down the wage scale, and use the localities as instruments by which the wage scales could be driven down. In my judgment, the Senator

from New Jersey is completely correct in wanting to throw the protection of the National Government around labor standards in the communities where such work would be performed.

Mr. THURMOND. Mr. President, I rise to speak in opposition to the proposed amendment which would add a Davis-Bacon Act provision to the bill. The purpose of the amendment is to require that every community project undertaken by even the smallest town or township must comply with a minimum-wage schedule determined for that project by the Secretary of Labor in Washington. The Secretary of Labor would not only set the wage rates for the project, but would also send out inspectors to police the project and enforce the Federal standards. He would have the power to require the community to terminate any project where Federal standards are not strictly and precisely followed. He would have power to cause money to be withheld from contractors and could require cancellation of contracts and blacklisting of contractors.

This kind of Federal control and interference in the public-works projects of our local communities is completely unwarranted, and is contrary to every tradition and concept of the responsibilities of local governments for carrying on local affairs. It would place the heavy hand of Federal bureaucracy on local government officials to an extent never before attempted. There is no precedent under any other Federal works or Federal-aid program for extending the requirements of the Davis-Bacon Act to local community projects financed by local community funds.

When it was originally passed, the Davis-Bacon Act was applicable only to public works construction contracts entered into directly by the Federal Government. In 1940 a provision in the Federal Housing Act extended the minimum wage concept of the Davis-Bacon Act to a certain category of multiple-dwelling rental housing projects where the financing was guaranteed by the Federal Government. Later, the Davis-Bacon Act was extended to Federal-aid airport projects under the Federal Airport Act and to Federal-aid hospital projects under the Hill-Burton Act. In 1956 the Davis-Bacon Act was further extended to contracts for State highways construction under the Federal highway program. It must be noted that under each of these programs—airports, hospitals, and highways—a grant of Federal money to the State or local governments is involved. None of these programs involve repayable loans, as is the case with projects to be undertaken under the present bill. The difference lies in the fact that under this bill no Federal grants are contemplated and no Federal expenditures will be involved. The costs of these projects will be borne entirely by the local community, under repayable loan financing at interest rates comparable to those available in the open market. On what basis, then, is the Federal Government justified in demanding the right to tell the local community what wage rates are to be paid on the work? The local community in spending its own money should be able to specify its own terms and conditions rather than have the terms and conditions dictated to it by the Federal Department of Labor.

The sponsors of the measure claim that it is designed simply to protect the locally established construction wage rates, and that the Department of Labor under such a provision will do no more than specify the rates which are actually prevailing and paid in the locality. Unfortunately, this is not the case. The fact of the matter is that wage determinations of the Department of Labor are invariably based upon the wage rates prevailing or in effect in the major cities and metropolitan centers nearest to the site of the proposed project. For example, if a Federal project is to be undertaken in southern Maryland, 50 to 75 miles from Washington, the Department of Labor will use the Washington, D. C., wage rates as the basis for the determination. By the same process the Washington, D. C., wage rates have been extended 75 to 100 miles into towns such as Front Royal and Winchester in the Shenandoah Valley of Virginia. In a recent situation in my State of South Carolina the Department of Labor imported into a rural area the wage rates from cities such as Atlanta and Charleston, each of which was more than 100 miles away from the site of the project. These are not just isolated instances, but are in fact the general method of operation. Anyone who is familiar with the way in which the Davis-Bacon Act has been applied can cite numerous other instances where the Department of Labor has extended big-city wage rates into small communities and rural areas.

This method of making wage determinations is directly contrary to the purpose and intent of Congress in enacting the law. When the act was passed in 1931 its purpose was to protect locally established wage rates and to prevent outside forces from upsetting the locally established wage structures. One of the problems which existed at that time was that some contractors made a practice of moving lower-priced labor into a locality or area, with a resulting adverse effect upon the established wage structures of the locality. Local rates were thus forced downward, and local contractors who adhered to the local rates were unable to compete with outside contractors paying the lower scale. There was at the time no Federal minimum wage law.

For the first few years the act was in existence it was administered properly and the wage determinations of the Department of Labor accurately reflected the locally prevailing wage rates. During World War II, however, the Department of Labor introduced a new concept into the Davis-Bacon Act. Under this new theory the Department took the position that in making wage determinations it should look not only to the locally established wage rates but also at the wage rates prevailing in other areas from which labor might be drawn for a particular project. In other words, they would determine not the locally prevailing wage rates but the level of wage rates which might be considered necessary to attract workers to the project. This was referred to as the "source of labor supply" rule. Under such new approach to Davis-Bacon wage determinations the large metropolitan centers are always considered as the major sources of labor supply, and consequently the wage rates established in these metropolitan centers are used as the basis for the wage determinations for projects in small cities and towns within a radius of 100 to 200 miles from the metropolitan centers.

The effect of this transportation of the big city wage rates upon the local communities has, in many instances, been disastrous. The local contractors and other business firms cannot possibly compete with the higher wage rates, and have found their work forces drawn away to the higher paying Federal projects. The local community wage rates are thrown completely out of balance and the local economy becomes seriously maladjusted. There are on record hundreds of cases where local contracting firms have suffered severe financial losses as the result of the arbitrary setting aside of local wage structures by the Department of Labor.

In the State of South Carolina we have had many disturbing and distressing experiences as a result of the high-handed and arbitrary methods followed by the Federal Department of Labor in applying the Davis-Bacon Act. In instance after instance they have ignored local practices and imported into our small towns and cities the wage scales of larger metropolitan areas many miles distant. In case after case they have imposed their higher wage scales upon communities which had, up until then, a well-established and well-ordered price-and-wage relationship, and literally turned upside down the established economy and brought about severe dislocations in local business conditions.

We find, then, the Davis-Bacon Act being used to break down and set aside locally established prevailing wage scales and to substitute for them the higher wage scales in effect in larger communities. This result is just exactly the reverse of what Congress intended. With such law Congress intended to protect the locally established wage practices and to prevent disruption of local economic situations. But as so frequently happens, the bureaucrats who apply the law use it for a purpose substantially different from that which Congress intended.

Let us also consider the effect in terms of the increased costs of the local community projects if we include the Davis-Bacon provision in the bill. It would not be an exaggeration to estimate that a great many of these projects would cost small communities 50 percent more in labor costs than they would otherwise have to pay. As I have said, they would be saddled with the big city wage rates, and the small communities would have to pay the bill for these big city wage rates. These increased costs would not come out of the Federal Treasury but would come out of the pockets of the taxpayers in the local community. It is entirely possible that because of this factor a majority of small communities

would have to decline to undertake any projects under the legislation. Only the larger cities would be in a position to afford such projects.

There is also a fundamental question of governmental philosophy involved here. Behind the proposed amendment lies the assumption that our State and local governments are incapable of determining what is best for the interests of the citizens of the State and the community. I am unable to comprehend why such a proposition can gain support or acceptance among those who are elected to represent in the Congress the States and local communities. Why must it always be assumed that the Federal Government alone is sufficiently wise and omniscient to decide what is right and good for the people? For over 150 years our State and local governments got along fine without the interference of the Federal Government in their local affairs. In the past two decades, however, the idea has taken hold that local matters should no longer be left to the State and local governments but rather must be guided from the all-powerful Federal bureaus in Washington.

This, of course, is contrary to all reason and common sense. Local economic factors are best known to the local government officials. Certainly the local officials are better able to judge local conditions and local needs than a bureaucrat in a Federal Government agency perhaps a thousand miles or more away in Washington. If there is any problem of protecting the local wage structure, why cannot this be done by the local government? If prevailing wage provisions are to be inserted in contracts, who is better able to determine what are the local prevailing wages—the officials of the community or a Federal agency in Washington? Are we here in the Congress of the United States so committed to the principle of Federal power and Federal supremacy that we are going to turn over to the Federal Government the elementary functions of local government officials? This is precisely what we would be doing if we approve the proposed DAVIS-BACON amendment. We will be delivering to the Federal Department of Labor direct power and control over public works projects of the smallest towns and villages throughout the United States. This to me would make a travesty of the Federal system envisioned by the Constitution.

I beseech the Members of this great deliberative body to reject the rule of tyrant and usurper, and, at least in this matter, to leave the decision to the good judgment of our local constituents.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the modified amendment offered by the junior Senator from New Jersey [Mr. CASE] for himself and other Senators.

Mr. KUCHEL. Mr. President, I have been glad to join the Senator from New Jersey and the two Senators from New York in sponsoring the pending amendment. It is not partisan in character. It represents the established policy of the Government of the United States over nearly a quarter of a century of providing for prevailing wages when American dollars from the American Treasury are spent on construction.

We have before us a bill which, if it is enacted into law, will make available $1 billion by way of credit to be utilized by municipalities, cities, and local municipal districts across the country for the construction of various kinds of public projects, as the bill itself provides.

When we deal with a measure which would make $1 billion worth of credit available, we ought to be able to say that what was laid down as the policy of the Government 23 years ago should apply to this field.

This is not a new question to be argued on the floor of the Senate. Only a few months ago, as the Senator from New Jersey has said, we applied the same principle to highway legislation. Time and again the Senate has determined that the prevailing wage law of 1935 shall apply in areas of this kind. I trust that the amendment will be adopted.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

The question is on agreeing to the modified amendment offered by the junior Senator from New Jersey [Mr. CASE] for himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from North Carolina [Mr. SCOTT] is absent because of illness.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

In this vote the Senator from Virginia [Mr. BYRD] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Virginia [Mr. BYRD] would vote "nay" and the Senator from Indiana [Mr. CAPEHART] would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. CAPEHART] is absent because of illness.

The Senator from Maryland [Mr. BUTLER] and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from North Dakota [Mr. YOUNG] is necessarily absent.

The Senator from Vermont [Mr. FLANDERS] is detained on official business.

If present and voting, the Senator from Maryland [Mr. BUTLER] would vote "yea."

The Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Virginia [Mr. BYRD]. If present and voting the Senator from Indiana would vote "yea" and the Senator from Virginia would vote "nay."

The result was announced—yeas 54, nays 25, as follows:

YEAS—54

Aiken	Hoblitzell	Morton
Allott	Humphrey	Neuberger
Anderson	Ives	O'Mahoney
Beall	Jackson	Pastore
Bible	Javits	Payne
Bush	Johnson, Tex.	Potter
Carlson	Johnston, S. C.	Proxmire
Carroll	Kefauver	Purtell
Case, N. J.	Kennedy	Revercomb
Church	Kerr	Saltonstall
Clark	Knowland	Smith, Maine
Cooper	Kuchel	Smith, N. J.
Dirksen	Langer	Sparkman
Douglas	Mansfield	Symington
Dworshak	Martin, Pa.	Thye
Green	McNamara	Watkins
Hennings	Monroney	Wiley
Hill	Morse	Yarborough

NAYS—25

Barrett	Fulbright	Robertson
Bennett	Goldwater	Russell
Bricker	Hickenlooper	Schoeppel
Bridges	Holland	Stennis
Case, S. D.	Hruska	Talmadge
Cotton	Jenner	Thurmond
Curtis	Martin, Iowa	Williams
Eastland	McClellan	
Ervin	Mundt	

NOT VOTING—17

Butler	Frear	Malone
Byrd	Gore	Murray
Capehart	Hayden	Scott
Chavez	Lausche	Smathers
Ellender	Long	Young
Flanders	Magnuson	

So the modified amendment offered by Mr. CASE of New Jersey, for himself and other Senators, was agreed to.

Mr. CASE of New Jersey. Mr. President, I move that the Senate reconsider the vote by which the amendment was adopted.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the motion of the Senator from California.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I should like to announce, for the benefit of all Senators, that we do not plan to have any more yea and nay votes this evening, and all Members may be informed that they will be protected from any more rollcalls this evening. We have agreed to keep the Senate in session to permit Senators to make brief statements. We will have no more yea and nay votes this evening.

Mr. THURMOND. Mr. President, I call up my amendment, which is at the desk, so that it may be in order the first thing tomorrow morning.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 20, it is proposed to strike out "equally favorable terms or conditions" and insert in lieu thereof "reasonable terms".

On page 3, lines 13 and 14, it is proposed to strike out "equally favorable terms and conditions" and insert in lieu thereof "reasonable terms".

Mr. KNOWLAND. Mr. President, I request that the yeas and nays be ordered on the amendment, so that all Senators will be on notice that there will be a yea and nay vote on the amendment tomorrow.

The yeas and nays were not ordered.

Mr. KNOWLAND. I wish to serve notice that I shall again request the yeas and nays, although I shall not suggest the absence of a quorum for that purpose at this time.

CHILDREN BORN OUT OF WEDLOCK

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1708) to amend the act entitled "An act relating to children born out of wedlock," approved January 11, 1951, which was, on page 1, lines 9 and 10, strike out "an illegitimate child" and insert "a child born out of wedlock."

Mr. MORSE. Mr. President, the matter has been cleared with the leadership on both sides of the aisle. The amendment of the House is acceptable, and I move that the Senate concur in the amendment of the House.

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

The motion was agreed to.

DEPARTMENT OF INTERIOR URGES PASSAGE OF S. 3234

Mr. WATKINS. Mr. President, on February 5, I introduced for myself and the Senator from Arizona [Mr. GOLDWATER] S. 3234. The bill, if enacted, would repeal the law which has suspended certain import taxes on copper.

On April 11, 1958, the chairman of the Senate Finance Committee received from the Secretary of the Interior a favorable report on this bill. The Department of the Interior recommends that S. 3234 be enacted for this reason, as the report makes very clear:

> The import tax was suspended at a time when copper was in short supply the world over. Serious difficulties were being experienced in meeting defense requirements arising from the Korean conflict. Both the Government and domestic producers wished to remove any obstacles to increasing supplies of copper.
>
> The circumstances on which the original suspension and its subsequent extensions were based no longer exist. In the course of the past year and one-half the extreme shortage of copper has disappeared and there is now an adequate supply. The price has dropped precipitously. As a result, domestic copper producers are being required to make adjustments in their rates of production.

The passage of the bill would permit the copper industry to seek relief under the escape clause procedure at an earlier date than it could otherwise. In addition, it would result in an immediate tariff of 2 cents per pound which would be of some assistance to the copper industry.

Mr. President, chronic unemployment continues to plague the copper industry. I sincerely hope that the appropriate committees of the Congress will take recognition of the situation which confronts this industry. For this reason I ask unanimous consent that the favorable report on S. 3234 be printed in the RECORD.

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

> UNITED STATES DEPARTMENT
> OF THE INTERIOR,
> OFFICE OF THE SECRETARY,
> *Washington, D. C., April 11, 1958.*
>
> Hon. HARRY F. BYRD,
> *Chairman, Committee on Finance,*
> *United States Senate,*
> *Washington, D. C.*
>
> DEAR SENATOR BYRD: There is pending before your committee S. 3234, a bill "To repeal the suspension of certain import taxes on copper."
>
> We recommend that S. 3234 be enacted.
>
> S. 3234, if enacted, would repeal the act of May 22, 1951, entitled, "An Act to suspend certain import taxes on copper" (65 Stat. 45). This act, as amended, suspends until June 30, 1958, or until the average price of electrolytic copper falls below 24 cents per pound for any calendar month, the 4 cents per pound import tax on copper imposed by section 3425 of the Internal Revenue Code (26 U. S. C., secs. 4541 and 4542, Supp. III) and revised to 1.8 cents by subsequent trade agreements so long as the price remains at 24 cents per pound or above and 2 cents during such periods as the price is below 24 cents.
>
> The import tax was suspended at a time when copper was in short supply the world over. Serious difficulties were being experienced in meeting defense requirements arising from the Korean conflict. Both the Government and domestic producers wished to remove any obstacles to increasing supplies of copper.
>
> The circumstances on which the original suspension and its subsequent extensions were based no longer exist. In the course of the past year and one-half the extreme shortage of copper has disappeared and there is now an adequate supply. The price has dropped precipitously. As a result, domestic copper products are being required to make adjustments in their rates of production.
>
> Enactment of S. 3234 will permit the industry to seek at an earlier date than otherwise the remedies contained in sec. 7 of the Trade Agreements Extension Act of 1951 (the escape clause). So long as the act of May 22, 1951, as extended, remains in effect, the industry is barred from seeking relief under the escape clause. The Tariff Commission has advised that it cannot entertain a request for an escape-clause investigation in the absence of a history of operation under concession. Except for a short interval in 1950 and 1951, copper duties have been suspended since 1947. There has been no opportunity to evaluate the impact of the concessions on imports of copper. Immediate repeal of the suspension would hasten the time at which an escape-clause petition could be entertained by the Tariff Commission.
>
> The Bureau of the Budget has advised us that there is no objection to the submission of this report to your committee.
>
> Sincerely yours,
>
> FRED A. SEATON,
> *Secretary of the Interior.*

FTC FAVORS S. 1356 WITH YOUNG-CARROLL AMENDMENT

Mr. WATKINS. Mr. President, on April 17, 1958, the Committees on Agriculture and Forestry and the Judiciary are scheduled to meet in a joint executive session to consider S. 1356. This is in pursuance of the unanimous consent agreement approved by the Senate before the Easter recess.

As I see it, the major problem faced by these two committees is basically this one: They must decide whether S. 1356, with the Young-Carroll amendment, is the best means of insuring the prevention and/or prosecution of unfair trade practices in the meatpacking industry which fall short of a Sherman Act violation, or whether the amendment in the form of a substitute introduced by Senator DIRKSEN on March 3, 1958, can best do the job. The amendments intended to be proposed by Senator DIRKSEN are identical to H. R. 9020 which has been reported by the House Committee on Agriculture.

Personally, I have reservations as concerns the so-called Dirksen amendments. I think they should be rejected by the Congress. So does the Federal Trade Commission. In its report on H. R. 9020, the FTC indicated that it prefers enactment of legislation which would combine S. 1356 and section 2 of H. R. 9020.

Now section 2 of H. R. 9020 is identical to section 2 of the Dirksen amendment. They would accomplish exactly the same thing that would the so-called Young-Carroll amendment to S. 1356, which Senator O'MAHONEY and I will support. To phrase it another way, the FTC report on H. R. 9020 makes it plain that the Commission prefers enactment of S. 1356 as amended by the Young-Carroll proposal. This proposal would give the Department of Agriculture complete jurisdiction over all livestock transactions in interstate commerce, that is, over the buying and selling of live animals and their processing.

Because of the pertinency which the FTC report on H. R. 9020 has for the forthcoming joint session of the Judiciary and Agricultural Committees, as well as the debate on S. 1356 itself, I ask unanimous consent that the report be printed in the RECORD.

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

> FEDERAL TRADE COMMISSION,
> *Washington, February 20, 1958.*
>
> Hon. HAROLD D. COOLEY,
> *Chairman, Committee on Agriculture,*
> *House of Representatives,*
> *Washington, D. C.*
>
> DEAR MR. CHAIRMAN: This is in reply to your request of February 5, 1958, for a report on H. R. 9020, a bill to amend the Packers and Stockyards Act, 1921, as amended, and for other purposes.
>
> The Federal Trade Commission recognizes that H. R. 9020 reflects many hours of labor and careful consideration, but we do not recommend the enactment of this bill in its present form. The Commission prefers enactment of legislation which would combine S. 1356 and section 2 of H. R. 9020.
>
> The Commission believes that legislation in this field should accomplish two purposes.

First, it should divide jurisdiction between the Secretary of Agriculture and the Federal Trade Commission clearly and cleanly.

Secondly, the legislation should confer upon each of the two Federal agencies involved that authority which it is best able to exercise effectively in the interests of producers, of packers, and of the general public.

Neither of these basic objectives appear to be satisfactorily accomplished by H. R. 9020 in its present form.

First, as to the relative areas of jurisdiction, H. R. 9020 endeavors to divide the jurisdiction both on the basis of products and on the basis of functions and thus continues, in many respects, the mixed jurisdiction of the Packers and Stockyards Act of 1921.

In so doing, it appears to us that H. R. 9020 does not delineate adequately the relative jurisdictions of the Secretary of Agriculture and of the Federal Trade Commission. It is true that H. R. 9020 solves some of the jurisdictional problems which have resulted from the intermix of jurisdictions established by the Packers and Stockyards Act of 1921. But H. R. 9020 does not solve all such problems. Moreover, it creates certain new areas wherein the relative jurisdictions could be ascertained only after litigation. After 37 years, jurisdictional questions under the Packers and Stockyards Act are still being litigated. Consequently, we believe a new approach should be made which would not only tend to put an end to all such existing jurisdictional questions, but which would avoid creation of any new problems.

A clear division of authority would be of benefit to the Secretary of Agriculture and to the Federal Trade Commission, but, equally important, it seems to us also that the parties regulated have a right to know with finality which agency is regulating them. This is not clearly accomplished by H. R. 9020, which incorporates undefined and unlitigated language and provides for a shift of jurisdiction at the option of the Secretary of Agriculture.

As to the latter, we feel that it would be desirable for jurisdiction to be determined by the Congress. Since this is an independent agency, the Federal Trade Commission's jurisdiction should not be permitted to rest upon a determination by an executive department. In *Rathbun (Humphrey's Executor)* v. *United States* (295 U. S. 682 (1935)), the Supreme Court described the Federal Trade Commission as "a body which shall be independent of executive authority, except in its selection, and free to exercise its judgment without the leave or hindrance of any other official or any department of the Government."

Under H. R. 9020 our jurisdiction would be subject to the leave of the Secretary of Agriculture.

Secondly, contemplating the proposed division of jurisdiction in the light of the ability and experience of each agency, we feel that the bill is seriously defective. The area of expertness of the Secretary of Agriculture, as evidenced in his experience, generally relates to matters involved in production and the initial sale by the producer. The Federal Trade Commission operates primarily in the field of merchandising of commodities, that is, in sales to wholesalers, to retailers and to consumers.

H. R. 9020 attempts to split jurisdiction over wholesale operations of packers between the Secretary of Agriculture and the Federal Trade Commission on the basis of the products involved. Packers sell many things. It is possible that with respect to a number of items being sold by a packer on the same invoice the Secretary of Agriculture could have jurisdiction over some and the Federal Trade Commission would have jurisdiction over certain other items involved in the same sale. It would seem more appropriate that complete jurisdiction over all sales by a single seller be vested in one or in the other agency.

H. R. 9020 appears designed to confer some jurisdiction over meats to the Federal Trade Commission in subparagraph (2) (b) of section 1 in the words "retail sales of any commodity." By thus separating the retail trade from the wholesale trade it is quite possible that H. R. 9020 would effectively prevent enforcement of applicable statutes as to either the wholesale or retail trade. The Commission, according to its more than 40 years of experience, cannot effectively oversee trade practices in retailing without having like jurisdiction over the wholesale trade. Moreover, the Secretary of Agriculture would have jurisdiction over the wholesaling but not the retailing of meats, etc., and this division of authority could well prevent effective enforcement at the wholesale level.

There is a way to accomplish both legislative objectives set forth in the fourth and fifth paragraphs of this report. The method which we have in mind would incorporate a significant part of H. R. 9020 and S. 1356. We commend this solution to your attention. It appears to us that there is with respect to trade practices in the livestock and packing industry a logical cutoff point where the jurisdiction of the Secretary of Agriculture should terminate and the jurisdiction of the Federal Trade Commission over unfair trade practices should begin. That point is reached after the livestock is slaughtered and processed by the packer.

Prior thereto we believe complete jurisdiction should rest with the Secretary of Agriculture. For this reason, the Commission wholeheartedly endorses section 2 of H. R. 9020 which would place in the Secretary of Agriculture jurisdiction over all commercial transactions in livestock, wherever such transactions take place. Since the enactment of the Packers and Stockyards Act in 1921, the Federal Trade Commission has never, within the memory of its staff, received a complaint from any source regarding any transactions in livestock. As a result the Commission claims no experience in this field. All such authority should logically be placed in the Secretary of Agriculture.

However, when livestock has been slaughtered and processed it becomes a commodity, which, while very important, is not seriously different from the thousands of other commodities subject to the jurisdiction of the Federal Trade Commission. Commodities subject to the Federal Trade Commission include many of agricultural origin. Thus, when grain becomes flour or bread, commercial transactions in it are under the Commission; when milk is put into bottles or cans or processed into cheese or butter, it is subject to our jurisdiction; vegetables and products made therefrom such as oils, etc., are subject to the Federal Trade Commission. The same is true of eggs, rice, coffee, fruits and juices and countless other items. With respect to certain products, the original sale is subject to the Secretary of Agriculture, but subsequent transactions in commerce are within the jurisdiction of the Federal Trade Commission. We can see no reason for according different treatment to meat.

For this reason the Federal Trade Commission recommends that the Packers and Stockyards Act be amended so as to give the Secretary of Agriculture jurisdiction over all transactions in livestock prior to slaughter and processing and the Federal Trade Commission jurisdiction over commercial transactions which take place after the livestock has been slaughtered. If this type of legislation is enacted there would be no confusion and no necessity for litigation to determine jurisdiction, and each agency would have jurisdiction in those areas where it is most effective.

The Secretary of Agriculture would have jurisdiction over the production and sale of livestock. Moreover, his jurisdiction under the Meat Inspection Act would remain untouched. The Federal Trade Commission would have jurisdiction over all sales by packers, whether such sales involve meat or any of the many other products sold by packers.

The purposes described in paragraphs 4 and 5 of this report would be accomplished by enactment of S. 1356 if such act were amended by the addition of section 2 of H. R. 9020. The Commission recommends that this combination of the Senate bill and your bill be enacted into law.

Because of the urgency of your request, this report is transmitted without clearance by the Bureau of the Budget.

By direction of the Commission.

JOHN W. GWYNNE, *Chairman.*

MILITARY PAY BILL

Mr. KNOWLAND. Mr. President, the Senate soon will be considering the Cordiner Committee report relative to the pay of armed services personnel. In that report, the following language appears:

Military retirement and its firm tie-in with active duty compensation is perhaps the most powerful long-term career incentive existing within the military compensation system. It represents a qualified equity of specific dollar value and is, in fact the principal traditional benefit available to military personnel.

Subsequently, the Cordiner Committee has this to say:

The Committee has therefore concluded that the incentive value of its existing military retirement program depends to a major degree upon its integral relationship with active duty compensation and the confidence which has been built up in the military body that no breach of faith or breach of retirement contract has ever been permitted by the Congress and the American people. It is this unique characteristic which serves to counterbalance many of the limited aspects of the military retirement pay and has made it one of the most influential selling points in the recruitment efforts of the services.

Mr. President, in connection with this language of the Cordiner Committee, I ask unanimous consent to have printed in the RECORD at this point in my remarks an editorial entitled "Service Pay Gimmick," which was published in the Washington Sunday Star of April 6, 1958.

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

SERVICE PAY GIMMICK

An obscure provision in the House-approved military pay increase bill could dangerously undermine the career-stabilizing purposes of this vital legislation. The clause in question would upset the traditional relationship between active-duty and retired-list pay, create unwarranted and unjust disparities between pay rates of retired officers of similar ranks and terms of service and give preferential treatment to a few top-ranking retired officers, namely, those of 4- and 3-star rank. The Senate, when it takes up the pay bill after the Easter recess, ought to eliminate these inequities—in the interest not only of fairness to all retired officers but of a strengthened military career system.

Always in the past the pay of retired officers of the armed services has been directly geared to active duty pay. When pay rates for active officers were raised, retired pay automatically rose proportionately. This was an inducement that was attractive to officers considering a career in any of the services. It was regarded as a permanent adjunct of the military pay system that made for continuity of service. But the House bill does violence to the sound principle of related pay scales for active and retired service. Under this bill, now before the Senate Armed Services Committee, the principle would be retained only for the highest ranking retired generals and admirals and for other officers only in the case of those retired in the future. All officers below 3-star rank already retired would be given only a token increase of 6 percent—substantially less than that to which they would have been entitled if they had retired after, instead of before, passage of the legislation. To cite one example of this inequitable proposal, a major general retired just before enactment of such a bill would receive about $2,125 less a year than one who retired just after the proviso became law. And the favored group would have no assurance of future equity, once the precedent was established.

It is not surprising, therefore, that the Retired Officers' Association, service journals and other opponents of the discriminatory plan are mobilizing to fight it when Congress reconvenes. They have persuasive backing in the Cordiner report, which said: "Military retirement and its firm tie-in with active-duty compensation is perhaps the most powerful long-term career incentive existing within the military compensation systems." It is hard to believe that Congress would knock this time-honored system out of kilter at a time when every effort should be concentrated on building stronger, more stable defense forces.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until tomorrow, at 12 o'clock noon.

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

VETO OF RIVER AND HARBORS BILL

Mr. MORSE. Mr. President, earlier in the day the Senate received the President's veto message on the rivers and harbors bill. I shall speak in much greater detail in support of the motion to override the veto, because I think in the interest of the American people the veto should be overridden.

Tonight I shall make a very brief statement concerning the effect of the veto message on a couple of very vital projects in Oregon, a State which has suffered seriously from a very deep recession, a State which, for many months past, has had the highest percentage of unemployment in the United States, but which in the last few weeks has been exceeded by the State of Montana.

The Yaquina Bay harbor modification and Siuslaw River harbor projects have been killed by the President's veto of the rivers and harbors bill, unless the veto can be overridden by Congress or the projects passed in separate legislation.

This is the second time that the Yaquina Bay project has been vetoed by President Eisenhower. This worthwhile project holds the key to the industrial development of Lincoln County, and is particularly needed for the maximum operation of the pulpwood mill at Toledo. Loss of the Siuslaw project means depriving the Florence area of a first-line port facility.

In fact, each of the projects would bring benefits to its areas over its life in excess of cost of building it.

Here is an example of public works which would increase the capital wealth of Uncle Sam and would cause a great flow of wealth into the Treasury. In the long run, it would repay the taxpayers many times the cost of these very much needed public works.

It is also rumored that the President may veto the new highway bill. I refuse to believe it. But the rumor certainly is one which has been published extensively in the newspapers of the United States during the last few days. If the highway bill should be vetoed, and if the Congress should not override the veto, the veto would cost Oregon in the neighborhod of $10 million during the fiscal year 1959 alone. In addition to the money already allotted to our State under existing law for primary, secondary, and urban roads and the Interstate System, the new bill would add $8,600,000 more of Federal funds for the year beginning July 1, 1958. Seven hundred thousand dollars more would go to Oregon for forest highways, plus its share of the $5 million additional for access roads. Access road money is distributed on the basis of need; and Oregon could receive as much as $1 million, because its timber cut is about one-third of the total timber cut on national forests.

If Oregon received $1 million as its share of the increase for timber access roads, our entire share of the new money would be $10,300,000 for the fiscal year 1959.

Mr. President, the other day I testified before the Senate Appropriations Committee on the need for forest highways and timber-access roads; and at that time I presented the documentation, which is unanswerable, with respect to what the forests of Oregon return to the Treasury of the United States. Each year they return much more than the operating costs; and if the forest highways and access roads are built, the income to the taxpayers will be much more than it already is.

Furthermore, Mr. President, at this time let me say to the President of the United States that these roads are sorely needed for a sound timber-conservation program, because without them it will be impossible to remove the diseased, insect-infested timber and the windfall timber which constitute a constant hazard to the sound timber in the national forests. Without these roads, we are constantly losing, annually, many, many millions of acres of timber to fire, because in the absence of the roads it is impossible to give the people's forests the needed fire protection. So this portion of the bill affords a good example of what a veto of the highway bill would cost the people of Oregon.

Mr. President, I simply cannot believe that if the President of the United States will take the time to read the record on the highway bill which has been made in the Congress of the United States, he will even for a moment think of vetoing it.

The rumor that the President may veto this bill is very disturbing to me, Mr. President. Its passage by Congress was one of the few strong blows against the recession yet delivered by the Federal Government. In it we achieved much for Oregon and for the country.

I hope the President will not take the position that because he wants to stand pat himself regarding the recession, he is not going to permit Congress to act, either.

Mr. President, in the case of the highway bill, which I believe is a sound public-works, antirecession measure, again I wish to plead with the President to recognize what I consider to be his moral obligation to sign the bill. I believe we have the duty to translate into legislation moral obligations, the highway bill is one of them. With the terrific loss of life on our highways each year—between 37,000 and 40,000 persons were killed last year, and I use both figures because reliable sources have given both of them; and there also seems to be agreement that last year more than an additional 100,000 persons were seriously maimed on the highways of the United States—what is the record which has been made by the highway experts who have testified before the committees of Congress? It is that not even a dent can be made in that loss of life until there are constructed highways which will conform to the laws of physics in relation to modern automobile traffic. The testimony is that our present network of highways cannot physically "take" modern automobile traffic without the present massacre of from 37,000 to 40,000 human beings each year. The experts do not say that a highway bill such as the one the Congress recently passed will save 37,000 lives a year, but they do testify that a modern highway system will greatly reduce the loss of life. In the hope that someone would call it to the attention of the President of the United States before he makes a final decision on the highway bill, I have been heard to ask the rhetorical question, "What price tag can be put on 1,000 of those lives? How much are they worth economically?"—if human lives may be referred to in the ugly terms of their economic value from the standpoint of their productive capacity in our society. Furthermore, what are these lives worth from the standpoint of moral values? They are priceless, Mr. President. In our Republic, have we actually reached such a point that these great moral values and obligations are to be forgotten merely because some reactionary economic forces are seeking to oppose antirecession legislation which takes the form of public works? I refuse to believe it.

Mr. President, I refuse to believe that if the facts were made available to him,

the President would fail to live up to the great moral obligation which I believe is involved in connection with his signature of the highway bill.

Later, I shall have more to say about this question, if and when we are confronted with what I refuse to believe despite what the press says is a probability, namely, an actual veto of this very much needed public-works program.

Mr. President, I turn now to another subject.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Senator from Oregon has the floor.

AUTOMOBILE INDUSTRY NEEDS COMPETITION

Mr. MORSE. Mr. President, last week in his press conference President Eisenhower made a few remarks about American manufacturers who do not give the American people what they want. Subsequently, the press carried stories reporting that the automotive industry took exception to his remarks, although I do not believe the President singled out any industry group in his remarks.

I do not rise today either to defend the President or to criticize him. I do wish to point out that the famous Mobilgas Economy Run for American stock cars will occur soon, and the rules have been changed so as to eliminate the American Motors "Rambler Six."

Just about the only car which has been holding its own, and even advancing, in sales is the Rambler. The Rambler has a good sales record in this period of a drop in automobile sales generally. Therefore, I wonder why the rules were changed, so as to eliminate the Rambler from that competitive "Run". Certainly a league-leading baseball team is not thrown out of the league because of the possibility that it will win the pennant.

Perhaps the other manufacturers of six-cylinder automobiles should see whether they, too, can build automobiles which will be more economical to operate.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article dealing with this matter, which was published on April 13 in the Washington Post and Times Herald.

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

NEW RULE BARS RAMBLER FROM ECONOMY RUN

DETROIT.—American Motors Corp. said that its economy-champion Rambler Six has been eliminated from the upcoming Mobilgas Economy Run because of a rule change made by the sponsoring organization.

Roy D. Chapin, Jr., executive vice president, AMC Automotive Division, said official rules now bar cars with engines of less than 220 cubic inch piston displacement.

"The Rambler Six," Chapin said, "has a displacement of 195.6 cubic inches, which results in maximum efficiency and economy of operation. We at American Motors feel that the change in rules defeats the purpose of such an event, which is to show economy of operation. Year after year in Mobilgas Economy Runs, Ramblers swept the field in miles per gallon, beating other six-cylinder cars by as much as 6 miles per gallon."

HIGHWAYS AND AUTOMOBILES

Mr. MORSE. Mr. President, related somewhat to the item I have just mentioned, I should like to comment briefly on the subject Highways and Automobiles.

I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a statement which one of the larger insurance companies is sending to its policyholders, in explaining increased premiums on automobile insurance.

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

IF YOUR PREMIUMS ARE HIGHER THIS YEAR, WE WANT YOU TO KNOW WHY

Automobile insurance premiums are subject to change because of two fundamental reasons—the number of accidents which occur and the cost of claim settlements.

1. The number of accidents: On an industrywide basis, there has been a sharp increase in the number and severity of automobile accidents. Loss frequency is a major factor and means more claims must be paid for injury or death under bodily injury liability coverage. Last year over 40,000 persons were killed in automobile accidents—the highest number on record for any one year.

More accidents also mean more claims must be paid as a result of damage to property of others as well as your own under property damage liability and collision coverage.

Under comprehensive, fire, theft coverage, which protects you against any loss to your automobile except by collision or upset, there has been a sizable increase in the number of claims, especially glass breakage.

2. Cost of settling claims: Increased claim costs are due primarily to higher court awards and rising prices. The cost of labor has risen steadily in recent years. Replacement parts of older model cars cost more today and replacement parts for new cars are substantially higher because of elaborate designs which feature more glass, expensive curved windshields, fancy grills, tubeless tires, costly upholstery, and fenders which are no longer separate and easily replaced. There are, of course, many other changes which affect the price of repair service.

As a result of the factors mentioned above, it has been necessary to increase premiums on an industrywide basis.

Mr. MORSE. Mr. President, first, the company cites the sharp increase in the number and severity of accidents. As I have already pointed out in the course of my remarks, I understand that between 37,000 and 40,000 persons were killed last year in automobile accidents on the highways of the United States—the highest number in any year. Tragedy struck countless families as a result of this needless toll; and an additional 100,000 Americans were seriously maimed as a result of accidents on the highways of the United States.

Mr. President, the highway bill, with its acceleration provisions, for which the able Senator from Tennessee [Mr. GORE] is so responsible, offers some hope that a modern highway network will be completed. The 37,000 or 40,000 deaths represent a tragic loss that cannot be measured in dollars, as I have previously stated. The $600 million acceleration provision of the Gore bill, so the experts testify, will help to reduce that death toll.

I think it is also appropriate to take judicial notice of the fact that not only has the number of accidents been on the increase, but so has their severity. There is relatively little regulation of the automobile industry. Perhaps we should exercise more supervision over the manufacture and sale of a product which killed between 37,000 and 40,000 people last year. I wonder if the concern of the manufacturers is not for more horsepower, chrome plate, and tail fins, rather than highway safety?

I believe that here is a legitimate area for study by the appropriate committees of the Congress. The race for greater horsepower may show that there is a distinct relation between the power of cars and the rising death toll.

The insurance companies operate on a pretty cold-blooded basis. They have to if they are really going to protect their policyholders and their stockholders. They cannot sell insurance by the use of fins and push-a-matic drives. I call attention to what they say about the cost of today's car, and I quote from this insurance statement:

Replacement parts for new cars are substantially higher because of elaborate designs which feature more glass, expensive curved windshields, fancy grills, tubeless tires, costly upholstery and fenders which are no longer separate and easily replaced.

Which of these great achievements in design are conducive to safety? Which of these great achievements help give the people the most car for the least money? How much have these advanced designs contributed to inflation? Even today's pickup truck, which is so widely used on the farm, has become a deluxe vehicle costly to repair.

I would like to suggest to our automobile industry that it sit down with the insurance people and go over the records for the past 20 years. I think that they would learn a lot from these records about the factors which have run up the cost of cars and their upkeep. I believe a serious study would reveal ways to develop a better, safer automobile that would furnish the American family with good dependable transportation. It would enable them to furnish a car less costly to maintain and service.

It was once said that what America needs is a good 5-cent cigar. I say this afternoon what America needs is a good, safe, cheap automobile. The automobile manufacturers ought to talk to the housewives of America, who, by and large, really control the budgets of American homes. The housewives could tell them a lot about the American automobile and what is wrong with it. They would tell the manufacturers what they should produce is not a massive car, with expensive equipment and great horsepower, which has become almost a deadly weapon on the highways of America, but a car which can compete

with the small foreign cars that are already beginning to be a serious competitive threat to the automobile industry in America.

If the American automobile industry wants to lose in the competitive race with foreign cars because of a stubborn refusal to supply what an increasing number of Americans need, namely, a small car, one easy to park, one that can be operated cheaply, one that does not take such a large share of the average family's monthly salary to repair every 2 or 3 months—if the American automobile industry wants to lose in a competitive race because of a stubborn refusal to meet the competition of foreign cars, I suppose I must say in large measure it is its business. I feel, however, there is a public interest in the policies of the automobile manufacturers, because such industrial stubbornness on the part of the automobile industry has an effect on the entire economy of the country. Furthermore, when the industry continues to produce for use on the highways of America deadly instruments which kill between 37,000 and 40,000 of my fellow Americans each year, then, as a legislator, I have the duty to do something about it.

That is why I am suggesting that an appropriate committee of the Senate proceed to look into the matter, because if the experts are right—and I am not an expert—as a Senator, I have a duty to try to find out what the experts say the facts are, and then I have the duty to follow where the facts lead so far as legislation is concerned, testing the facts in relation to the public interest.

I happen to believe that this matter is one of public interest, or, to put it in another way, there is before us a problem which is vested with the public interest. I dare to raise on the floor of the Senate the question whether the automobile industry of America has any right to proceed with a manufacturing policy which is producing a deadly weapon which cannot be manipulated on the highways of America without killing between 37,000 and 40,000 persons each year.

So much horsepower—285 horsepower; 300 horsepower; 325 horsepower; and I understand the latest boast is 410 horsepower—is not needed. Engines with such huge horsepower are placed under the hoods of automobiles which traverse the highways of America at fabulous speeds and run over children.

What has happened to this country? What has happened to it morally? I refuse to believe that its attitude has always been one of such indifference. Why, Mr. President, go back to the early legislation, long before the motor age, and note the ordinances which were adopted, and in some instances State laws which were passed, in regard to controlling unruly horses on the highways of America.

I happen to believe, Mr. President, that not only has the Congress of the United States the right, but I think it has become its moral duty, to proceed to impose some regulations on the automobile industry, because so-called free competition, the private enterprise system, does not carry with it a right to impose such dangers upon innocent people. Too frequently it is the innocent who are killed by the deadly weapons produced by the automobile manufacturers.

On the basis of a voluntary program on their part, on the basis of their moral recognition of their responsibilities as manufacturers, I had hoped they would follow a course of action which would hold in check the deadly weapons which automobiles have become and would produce safer automobiles.

I am not recommending any specific type of legislation because, first, I want to find out what are the facts. All I am doing, Mr. President, is suggesting what I consider to be an obvious problem which confronts the Congress of the United States.

I happen to believe that we have a moral duty to proceed to take some action to bringing under check the automobile industry, which has become, perhaps, the greatest killer of innocent people in America.

Oh, one may ask, "Where is the cause-to-effect relationship?" I believe the relationship is pretty direct. I think if we put the matter before any jury box of America the jurors would see the direct cause-to-effect relationship.

Various proposals have been made, such as a limitation on horsepower, or the attachment of mechanical checks to limit speed. I happen to believe the people best qualified to do the job are those engaged in the automobile industry itself. I have a hunch that the American people should start pointing a questioning finger at the automobile industry, and saying, "Do you have to do it? Do you have to do it in order to compete with each other? Is this essential to the sale of cars? Do you not recognize the obligation you owe to the American people to protect their safety?" If the fingers of the people of America were pointed at the automobile industry, then the leaders of the industry would sit down and proceed to work out a manufacturing program which would at least reduce the menace of the deadly automobile and save lives as a result.

I only raise the point this afternoon, but, as my record shows, I do not raise points on the floor of the Senate only to forget them later. I am raising the point this afternoon, and I serve notice now I propose to offer implementation later. I am making a request now that we start thinking about the need for conducting an investigation, through an appropriate committee of the Senate, with regard to the safety problems involved in the manufacture of the modern automobile.

I believe, Mr. President, we could pass some reasonable legislation which would have the effect of saving a great many lives. The mounting death toll and the increased cost of repairing cars demonstrate that the automobile manufacturers have not given this matter the attention it deserves.

I close the discussion of this item with the suggestion that one of the first things the automobile manufacturers should do is sit down with representatives of the insurance companies and discuss the very points raised by the material from the insurance companies I have asked to have printed in the RECORD in explanation as to why automobile insurance premiums have been skyrocketing in recent years.

Look at the effect, Mr. President. The result is that many people are not insuring their cars. The effect is, again, another type of suffering which innocent people must undergo because when seriously injured very often they find the car which injured them is owned by a person who does not carry a cent of insurance, and who will say, "I could not afford it."

Probably we would get into a legislative controversy, which, of course, would be a hot one, as to how far we should go legislatively to require compulsory insurance, so that innocent people who were maimed would have some financial compensation for medical costs and for damages.

Mr. President, I desire now to turn to another subject.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). The Senator from Oregon has the floor.

TAX CUT AND PUBLIC WORKS PROGRAM

Mr. MORSE. There has been quite a bit of discussion in my State, Mr. President, in recent days as to my position in the Senate in support of a tax cut and also a public works program. There has been quite a bit of discussion in my State, because when I was there a few weeks ago I said to the people of my State, "Here is one Senator who is not opposed to deficit spending."

To the contrary, I recommend several billion dollars of deficit spending, and quickly, because, in my judgment, when the people of this country are thrown into a serious recession, which results in unemployment for several million persons, with all the hardships and cruelties and sufferings which accompany such unemployment, I happen to believe it is the duty of a republican form of government to proceed with whatever course of legislative action is necessary to bring relief to those people who are unemployed and supply them with jobs. I do not mean leaf-raking jobs.

I have said, Mr. President, as I have followed the leadership of the Senator from Illinois [Mr. DOUGLAS], the most outstanding economist in the Congress and one of the 10 greatest economists in the country, in my opinion, that we ought to start with a tax cut, because a tax cut will flow immediately into the cash registers on the main streets of America.

I have been criticized. I have just answered an editorial from the Oregon Statesman, a Republican sheet in Salem, Oreg., edited by a former Republican Governor of my State, who speaks in his column about the fiscal irresponsibility of the position of the senior Senator from Oregon on a tax cut. I am sorry he is so ill-informed on elementary economics, but he is not going to deter me from the fight I intend to continue to make on the floor of the Senate for a tax cut, because I happen to believe that

in times of prosperity we should impose taxes in sufficient amount to balance the budget and, above balancing the budget, to pay substantially on the national debt. I likewise believe that in times of recession we should cut taxes, and have deficit spending in order to put people back to work. I have supported not only the proposal of the Senator from Illinois, but I have supported the Yarborough-Proxmire-Morse proposal for raising personal exemptions from $600 to $800 on a temporary 1-year basis and longer, if it should be needed longer after the first year, because I know the money thereby made available to the taxpayers would go into the cash registers of the businesses of America, and I also know that what is needed in this recession is purchasing power.

Last fall the Select Committee on Small Business of the Senate conducted a series of hearings from coast to coast across America, and the testimony was uniform so far as the small-business men were concerned, that they could not sell any more on credit. They had already outsold their credit stability. They need hard, cold cash in the pockets of prospective purchasers.

As I said on the floor of the Senate the other day, in Chicago a small-business man from southern Illinois came before us, and when I asked him, "What do you think your main problem is?" he was ready for me. He pulled up the sleeve on each arm, and he had written on the cuffs of his shirt, just covering them with figures. He said, "Mr. Senator, do you see any place where I can get another 1, 2, or 5? If I can get another 1, 2, or 5 on this cuff, I can sell another washing machine today. There is no more room to put anything on the cuff."

By that little example he sought to illustrate the fact that he had already exceeded his credit allowance. He went on to say, "A bank loan would not help me. First, it is for too short a time; and second, it is too costly because of the monetary policies of this administration."

He went on to say, as witness after witness said across America last fall before our committee, "We need purchasing power." A tax cut would give purchasing power which would start emptying inventories. We have a surplus of consumer goods in America today, and an insufficiency of purchasing power. If we were to start to empty the inventory shelves, the result would be the placing of new orders, which would put people back to work. That is what economists tell us would be the benefit of a tax cut, as the insertion which I am about to place in the RECORD will show.

It is said by reactionary editors in my State that I take a completely inconsistent position because I am for a tax cut and public works. If they knew their economics, they would know that I am following a policy of economic consistency. It requires many months for a public-works program to go into effect, but a tax cut would go into effect immediately. I am for public works, but not leaf-raking public works. I am for public works that will increase the capital investment and capital wealth of Uncle Sam, and help to expand the economy by creating new jobs. As a result of such new jobs, tax dollars would flow into the Treasury.

The subject of a balanced budget has become a bit of semantics in American debate these days. There is no virtue in a balanced budget in times of deep recession, but there is great virtue in an unbalanced budget in a time of deep recession, if the amount of expenditure which creates the deficit is used for constructive public works which will create additional capital wealth for Uncle Sam.

But the reactionary editors in my State say, "Oh, MORSE is for inflation." Of course, they have indulged in an old fallacy. They have made a false assumption. They assume that deficit spending will create inflation, when the economists point out that it all depends on what the money is spent for.

Let me give a homely example. In the operation of a farm for this year I happen to need a new hay baler. I need a corn planter. I also need a combine. Eventually I shall buy all three items. At present I am bargaining for a hay baler. If one is to be a farmer these days, he must be a David Harum.

So far, I have made 2 stops at 2 farm implement places, and already I have saved myself $250. When I can save myself $350 I shall buy a hay baler, because that is the purchase price I have set. I am the purchaser; and an oversupplied farm-implement industry is the seller.

What is going to happen, using this homely example? If we put some purchasing power into the pockets of American farmers the farm implement dealers, instead of inflating prices, will be competing with each other to get rid of their inventories quickly at lower prices, not increased prices.

We shall find the same thing to be true with regard to a great many other consumer goods. American small-business sellers of consumer goods are hungry for sales.

I do not buy the argument that a tax cut, plus a public-works program, would produce inflation. It would not produce inflation if the cold cash actually reached the pockets of those who needed the goods.

I have supported the Douglas proposal. In fact, I have been the author of such a proposal for a number of years since 1947, ever since the Committee for Economic Development made such a proposal, under the leadership of Paul Hoffman in 1947, for the elimination of many excise taxes and the drastic reduction of others.

I have been heard to make this statement often; but in a situation such as this repetition is necessary if the country is to be informed with regard to the economic problem.

Why were the excise taxes imposed in the first place? They were imposed to discourage the manufacture of consumer goods. They have done an excellent job of it. They were imposed to discourage consumers from buying consumer goods, because we did not want civilian production during the war. We wanted all the economic productive power of America directed to the successful prosecution of the war, so we made it dear to buy consumer goods.

In the second place, the excise taxes were imposed because they afforded a quick method of raising some war revenue. We, the Congress—and, after all, we inherited these obligations from past Congresses, whether we were here at that time or not—must fulfill a pledge which was made to the American people. The war Congresses pledged to the American people—and the CONGRESSIONAL RECORD is my documentation—that when the war was over they would remove the excise taxes as an encouragement to the expansion of a civilian economy, which would then be needed. Congress has not kept its pledge.

I say respectfully that the President of the United States has not used the prestige of his great office as I think he should have used it, to call the attention of the American people to the facts and to recommend elimination of most of the excise taxes and a drastic reduction in others.

Does anyone really doubt that if President Eisenhower came forward with a strong proposal for the elimination of the excise taxes, my friends on the other side of the aisle would, in many instances, be taking a somewhat different position than some of them now take with respect to excise taxes?

I have not sat in the Senate for 13 years to be completely nonobservant. I know, from experience, the influence of a strong recommendation from the White House—no matter who is in the White House—upon the Congress, upon members of the President's party, and, yes, upon members of the other party, too, particularly when a President can make such a strong case as can be made in favor of the proposal for the elimination of the excise taxes, or at least a drastic reduction in most of them. So I have supported that proposal, and I shall continue to urge it in the anti-recession-proposal debate which will continue in the Senate for the next few weeks.

I would say to the reactionary editors of the State of Oregon, who have been having a field day criticizing me for my position in the Senate in support of both a tax cut and a public works program, that I do not stand alone on this matter. I do not speak alone on it in Congress. I do not speak alone on it so far as the experts in the country are concerned. On April 14, there appeared in the New York Times a letter headed "Immediate Tax Cut Urged." The letter was signed by a group of economists of Columbia University: James W. Angell, Harold Barger, Arthur Robert Burns. Who is Arthur Robert Burns? He is the former economic adviser to the President of the United States. He is the former economic adviser to President Dwight D. Eisenhower. Also Robert L. Carey, Carter Goodrich, Albert G. Hart, Peter B. Kenen, Marshall Kolin, Frederick C. Mills, Ragnar Nurkse, Carl S. Shoup, William Vickrey, Henry Villard, and Aaron W. Warner.

I have great respect for Bernard Baruch. However, his views, in my opinion, pale into insignificance when compared with the expert knowledge in the field of economics and the effects of a tax cut of the group of outstanding American economists who share the view of the distinguished Senator from Illinois [Mr. DOUGLAS], one of the great economists of this country, as expressed by him time and time again on the floor of the Senate.

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

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

IMMEDIATE TAX CUT URGED

To the EDITOR OF THE NEW YORK TIMES:

The moderate recessions of 1949 and 1953–54 were not ended without the aid of substantial tax cuts, resulting from the Revenue Act of 1948 and from certain measures effective in 1954. Without prompt and substantial tax cuts now there is grave danger of cumulative damage from the rapid tapering off in plant and equipment outlays already scheduled, the exhaustion of unemployment insurance rights and the deterioration in the economic position of our trading partners abroad.

We believe that the first major policy step should be to cut Federal taxes by about $10 billion a year, effective immediately, the cut to remain in effect until recovery is assured. Any further delay will increase the prospect that even a $10 billion tax cut will prove inadequate and that the present recession will become even deeper and more prolonged.

If inflation turns out to be a problem in 1959 or 1960, appropriate measures can and should be taken at that time.

James W. Angell, Harold Barger, Arthur Robert Burns, Robert L. Carey, Carter Goodrich, Albert G. Hart, Peter B. Kenen, Marshall Kolin, Frederick C. Mills, Ragnar Nurkse, Carl S. Shoup, William Vickrey, Henry Villard, Aaron W. Warner.

The signers of the above letter are members of the Department of Economics at Columbia University, with the exception of Henry Villard, who is the chairman of the department at City College.

NEW YORK, *April 10, 1958.*

Mr. MORSE. Mr. President, I have not counted noses, but I am sure that no one can question that I make an understatement when I say to the reactionary editors of my State, who have been criticizing me because I have been advocating in the Senate a tax cut, that some very able and outstanding economic scholars in the universities of America support the position the senior Senator from Oregon has taken on a tax cut.

All I have done in this instance, as I have always tried to do, was to try to follow the experts. I have tried to find out what the facts were so far as the experts are concerned. I shall always follow the experts, not the politicians. I do not give one whit for the partisan political point of view of any politician in America on an issue which involves expert knowledge, unless the politician's point of view can be documented to the facts presented by the experts. That is the way I vote in the Senate. That is the way I am voting on the tax cut proposal.

I thought Harry Truman put it very well in his testimony before the House committee when, in effect, he said:

"You had better consider the problem that confronts you now. You can then handle better the problems which may arise in the future." Or, to put it in another way, it is like the statement Senator Vandenberg used to make time and time again in debate in the Senate, "I cross my bridges when I get to them."

I would say to the President of the United States he ought to stop speculating about what may happen sometime in the future, when there is such a substantial body of experts who are saying to him—and that group includes his own former chief economic adviser, Dr. Burns, of Columbia University—in the interest of the welfare of the American people there should be a tax cut now.

That is my answer to the reactionary press in my State, which is giving me so much attention in their editorial pages these days, because of the speech I made on the floor of the Senate in support of a tax cut and public works. I shall be proud to stand on my record. I shall be back home on May 3, when, in Medford, Oreg., I shall address a fund-raising dinner for the Democratic Party in my State, and I shall have more to say about the reactionary press on home soil on that occasion.

I now turn to another subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

NUCLEAR TESTS

Mr. MORSE. Mr. President, some time ago I referred on the floor of the Senate to the great philosopher of southern India, Rajagopalachari. On that occasion I said that in my work at the Commonwealth Parliamentary Conference held in New Delhi, India, in December last, I became aware of the fact that the successor to Gandhi in India is Rajagopalachari, and that he is recognized as the successor to Gandhi. The impression given to me by many Indian leaders was that he was recognized as the most influential philosopher in India today—a man who, I believe, is 81 years of age. It was my privilege to sit at his feet, so to speak, on two occasions as I conferred with him on a series of foreign policy problems, including the problem of nuclear testing. I am sure that my colleagues in the Senate know that he has been a frequent contributor in the past several years to the New York Times, in presenting a point of view—which I would say is the preponderant Indian point of view and, in fact, was the preponderant point of view of the African and Asian delegations at the Commonwealth Conference—that both Russia and the Western countries should cease nuclear testing.

As Senators will note from the article which I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, Rajagopalachari now is pressing also for a cessation of the production of nuclear weapons. However, he continues to take the point of view that at least one step can be taken, and that is to cease the tests, in the hope that the ceasing of the testing might make it necessary to reach an agreement on the ceasing of production.

Tomorrow night, in New York City, I intend to discuss, in a public address, my resolution, which has been before the Senate since July 1957, calling for a cessation of the testing of nuclear weapons on the part of the United States. I am pleased to be able in the Senate this evening to offer for the RECORD as a part of my remarks the letter to the New York Times, under date of April 15, of Rajagopalachari, of India, restating his position in support of a cessation of testing of nuclear weapons by all countries. Once again I wish to say that I share his point of view, because I believe it is morally right.

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

TO RENOUNCE H-BOMB USE—DECLARATION BY UNITED STATES OF SUCH A STEP IS ADVOCATED

(The writer of the following letter was Governor General of India from 1948 to 1950 and a leader in India's struggle for independence.)

To the EDITOR OF THE NEW YORK TIMES:

May I once again crave the hospitality of your columns for an earnest appeal to the Government of the United States and to the people of America? The present is a critical point of time and I implore America to ponder over the situation created by the recent declaration of the U. S. S. R. to abstain from further test explosions.

This step on the part of the Russian Government is a step in the right direction, however inadequate it may be. It is unprecedented in its unilateral character and therefore it is a great step. It can be ignored as unimportant because it does not mean a cessation of activities in the production of nuclear weapons. It is not a declaration that can even at face value remove fears of aggression, for it is only a cessation of tests and not a declaration to cease production or abstain from using these horrible weapons. It is a cautious step.

Let us be careful even in our suspicions. We will be doing wrong to ourselves if we ignore this solemn declaration of the U. S. S. R. and go on with our test explosions. It would produce most adverse reactions and feelings among those who are not nuclear powers but who are the vast majority of the inhabitants of the earth and who do not like this poisoning of the world with more and more radioactive fallout. America will lose moral stature automatically with any further test explosions directd by her Government and Russia will correspondingly profit. This is as certain as that 2 and 2 make 4.

SIGNIFICANT STEP

What is now called for by the true genius of America and the spirit of the Founding Fathers is not argument, but some step of even greater significance than the one taken by the U. S. S. R. What is wanted on the part of America is a declaration made clearly and unconditionally, without reference to agreement on the part of other nations, not to use H-bombs, come what may. For indeed if any occasion should ever arise to use them it would admittedly mean such destruction as would leave mankind unable ever to recover.

A declaration of this nature will be so greatly appreciated by the peoples of the world that a new enthusiasm will develop for mutual trust and integrity of purpose which will be irresistible. What is more, it will be an enthusiasm unmixed with any discrimination in favor of one or the other contending powers and will make for true world peace.

America should pause now and not be in a hurry to prove her firmness, and think constructively and give to the world the benefit of a great unilateral step toward peace.

G. RAJAGOPALACHARI.

MADRAS, INDIA, *April 10, 1958.*

Mr. MORSE. Mr. President, I share that point of view because I believe it is morally right. I hold to the old-fashioned idea, when all is said and done, that when a matter is morally right, it is also legislatively sound, and it represents public policy which ought to be implemented by Congress when it falls within the jurisdiction of Congress to implement it.

Mr. President, I now turn to another subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

THE UAW IS CLEANER THAN A HOUND'S TOOTH

Mr. MORSE. Mr. President, lastly I wish to ask to have printed in the RECORD an editorial published in the New York Times of April 22, entitled "Report on the UAW."

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

REPORT ON THE UAW

An episode in the McClellan committee hearings on the affairs of the United Automobile Workers and its president, Walter P. Reuther, has received less public attention than it deserves—largely, no doubt, because it came at the end of the series late on a Saturday afternoon. In striking contrast to the constantly recurring exposures of union misdeeds the hearing on March 29 staged an impressive exposure of labor rectitude. The official transcript now tells the story in detail.

Carmine Bellino, accounting consultant of the McClellan committee, was the witness. He has had many years of experience in financial investigation, for the FBI and a series of Congressional committees. Mr. Bellino testified that he had been given access to all Mr. Reuther's tax returns from 1942 through 1956, also his personal bank statements and canceled checks from 1952 through last year. These showed Mr. Reuther's main source of income was his union salary (maximum $20,900) and that this was supplemented by fees for speeches and articles which he makes payable to the Reuther Foundation "to be used for scholarships for the children of the union members and other charitable purposes."

Mr. Bellino also looked into the UAW's financial operations, the records of which were put at his disposal. The UAW, he testified, has a "regular statement of expenses which is broken down each day * * * and accounts for every expenditure, whether it is a car allowance or taxi, limousine," etc. And "the cash receipts have complete detailed information as to the source of the funds." The union also provides "a regular auditing program" with reports "identical with what certified public accountants would put out."

The committee has found no evidence of UAW corruption and Mr. Bellino has handed a well-merited bouquet to Mr. Reuther and the union.

Mr. MORSE. Mr. President, if I were to give my comments a title, I would title these remarks "The UAW Is Cleaner Than a Hound's Tooth."

There has been some criticism of Walter Reuther and the UAW by some of my colleagues in the Senate. I am confident that if one item of scandal could have been found in the UAW, loud and repeated mention would have been made of it.

According to the New York Times editorial, the McClellan committee "has found no evidence of UAW corruption." I am disappointed, however, that the committee did not afford the same amount of publicity to the excellent record of the UAW in managing the funds of its union members and to Mr. Reuther's high personal standard in his financial affairs as it gave to mismanagement and corruption in certain other unions. An objective study, in my opinion, requires a balanced picture.

I have known Walter Reuther for some years. I have disagreed with him from time to time on some labor issues. I have sat on the War Labor Board, which was concerned with cases of the UAW. I have written decisions against the UAW on the merits of some of those cases.

But, Mr. President, I consider Walter Reuther to be one of the great labor leaders in our history. I am confident that his record can stand the most vigorous scrutiny. I am proud that it has done so.

Oh, I well know that the very fact that I dare to stand on the floor of the Senate and commend the record of Walter Reuther will result in there being heaped upon me a whole series of castigating editorials, not only in my own State, but across the Nation, because we have really reached the point, in respect to the antiunion drive which is being made by the reactionary forces, that if anyone in public office speaks a good word for a labor-union leader these days, he must expect to be smeared and castigated.

But just as I will speak a good word for great industrialists who are keeping the faith with the purposes of the private-enterprise system, based upon the principle of competition, so will I stand in the Senate and speak a good word for a labor leader, as I did a few weeks ago when I spoke in support of George Meany. I said then that if I were to pick the man of the year for 1957, I would name George Meany. This evening, in view of the unfair criticism to which Walter Reuther has been subjected by some of my colleagues, I wish to say these few words in support of the commendable record of Walter Reuther as the head of the UAW.

To the critics of Walter Reuther, I say: A good sailor always tests the wind before he throws a bucket of slop over the side. He does this to make sure that it does not come back and hit him in the face. I trust the experience of those who have maligned Mr. Reuther will encourage those who throw slop to be more careful in the future.

TESTING OF NUCLEAR WEAPONS

Mr. CASE of New Jersey. Mr. President, in view of the importance of the problems involved in the testing of nuclear weapons, I ask unanimous consent to have printed in the RECORD the remarks which I made last week at a luncheon held by the Advertising Club of New Jersey in honor of the selection of Secretary of Labor James P. Mitchell as New Jersey's outstanding citizen of 1957.

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

My participation in today's program will be directed to two purposes.

The first is to express my profound appreciation of the opportunity to participate in your tribute to your honored guest. To have a share in honoring Jim Mitchell is not only an honor but also a source of the deepest satisfaction to any citizen of New Jersey, to any American vitally concerned with his country's welfare, and by no means incidentally, to any Republican. Most of all it is a satisfaction to one who is privileged to regard Jim as a close personal friend.

Jim Mitchell is a whole man. He is a mature man. I know of no one else who could have stepped into such a difficult and delicate situation as that which Jim Mitchell entered when he became Secretary of Labor and performed his job in such a way as to win the admiration and respect of all those, and they are almost beyond number, within the orbit of his vast responsibilities.

I've never known a man who possessed a greater astuteness, astuteness so sharp that it would amount to cunning if possessed by one of less rugged honesty and ripe wisdom, and, above all, his true compassion for people, both as individuals and collectively.

Without at least a few Jim Mitchells in positions of responsibility and authority in our society, I gravely doubt that we could succeed, to paraphrase Chesterton, in maintaining the sanity of our society or the very existence of our democracy against all the stark anarchies and negations which rage against it forever.

Mr. Secretary, with pride and the warmest pleasure, I join all your other friends, admirers and fellow citizens in saluting you today.

My second purpose is to share with you my thinking on one of the grave problems which lie at the heart of our national security.

Last week the Soviet Union, having completed a long series of tests of nuclear weapons—tests which have been described as putting into the atmosphere more radioactive material than ever before—announced to the world that she was unilaterally suspending further nuclear tests. She has challenged us to do likewise and reserves the right to resume testing if we do not follow suit.

What should we do, in the light of simple morality, of the safety of our population and of our security as a nation and the security of the Free World?

These questions are not newly posed by the Soviet challenge. They have been with us for some time. The Soviet announcement of her suspension of testing merely brings them into sharper focus. It is crucially important that all of us attempt to understand and try to find the right answers, or if there are no truly right answers in view of the cruel dilemmas with which we are confronted, the best answers which are possible in the circumstances.

At the outset we must face and accept certain stark realities.

First, the Soviet Union is determined to bring the whole world within the Communist orbit. If it were not for the power of the United States she could and would do this in short order. She will stop at nothing to eliminate the obstacle which we represent.

Second, our defense, and the defense of the whole Free World, against Soviet aggression is based upon, and depends upon, atomic and hydrogen weapons.

Our capacity to wreak unbearable destruction upon the Soviet Union by using such weapons is the only deterrent against her use of such weapons against us.

But this is by no means the whole story. Nuclear weapons are not only deterrents against an all-out thermonuclear attack upon our homeland. Increasingly such weapons are becoming our essential reliance in containing Communist aggression of all degrees and in all parts of the world. Whether such aggression be based upon the use of nuclear weapons or merely conventional forces, to an important degree right now, and increasingly for the future, unless the present trend is sharply reversed, we are and will be dependent upon nuclear weapons to fight little as well as big, limited as well as unlimited, wars.

I realize there is a highly respectable body of opinion which believes it is impossible to limit a war in which any nuclear weapons whatever, however small, are used. Those who hold this opinion believe that inevitably the nation against whose forces small nuclear weapons are used will respond with the use of large nuclear weapons, evoking a counter response with even larger nuclear weapons, and this process will continue until the whole world is ablaze.

There is force in this argument. If it is correct, our present policies are dangerous in the highest degree and hideously wrong. Are we basing our defense on weapons which we will dare not use unless our very existence is directly threatened? If so, the whole Free World will be defenseless against any aggression short of a thermonuclear attack upon the United States. Surely, this is a matter which ought to be the immediate and vital concern of every American, indeed of every human being. No single man or government should decide this question. Above all, it should be decided by conscious decision, not by the mere play of events.

But that great question is not my immediate concern today.

Today we do rely, we do depend, on nuclear weapons to defend ourselves and the Free World against less than all-out aggression, as well as to deter the use against us of the hydrogen bomb. Since we do rely on such weapons for that purpose, we must have them in all sizes and adapted to all purposes. Both the safety of our own troops and that of the civilian population in the areas in which nuclear weapons would have to be used demand that we make every effort to reduce to a minimum their contaminating effects. For the safety of our own population we must do the same with nuclear weapons which are used in our defenses against nuclear or even nonnuclear intermediate range and intercontinental ballistic missiles.

If the responsible officials of our Government tell us that further testing is required to solve the technical problems involved in the development and maintenance of effective weapons for these purposes, this is a conclusion which I believe we must accept.

Assuming that continued nuclear tests of some kinds are necessary, can they not be so conducted as to limit the danger of widespread contamination from nuclear fallout? This is the crucial question.

If it is possible to do this, it should, it must, be done—for two reasons. First, a decent concern for humanity in our own day, and, even more, of generations yet unborn, compels it. Second, we must not let our enemies succeed in using the fear of poisoning the atmosphere—a fear felt increasingly by millions both in America and abroad—to halt our testing and development of weapons which may be essential to our very survival and to the protection of freedom everywhere on earth.

It is said that we, at least, have made great strides in the development of clean weapons of large size. Also, it has been intimated that for the purposes of our defense, we have gone about as far as we need to go in the testing of weapons of enormous size and that the real need is for the perfection of a variety of smaller weapons, the testing of which can be conducted with relatively little radioactive fallout.

If this is so, I believe we should at the earliest possible date announce it is our national policy that we will conduct no tests of nuclear weapons that will cause a dangerous contamination of the earth's atmosphere. We should couple our announcement with an offer to have our tests monitored by a competent impartial international agency to guarantee that the announced limitations are observed.

At the same time we should initiate steps to secure an international agreement among all nations now or hereafter conducting nuclear experiments looking toward an overall limitation, subject to similar surveillance, of all nuclear testing so as to prevent further contamination of the earth's atmosphere.

If this course is feasible and consistent with the requirements of our security we ought to make such an announcement at once. If it is not, we and all the world ought to know that too, and the reasons why. The people of this country and of the world will accept such reasons if they are valid.

It is crucially important that this matter be fully explained and widely understood. We will, I am convinced, shrink from no risks and shirk no burdens if we are satisfied those risks and those burdens must be borne for the sake of our Nation's security. But our policies must not only be right, they must be known by the people to be right. There is no other way in this great and good democracy.

This, of course, is not a disarmament proposal, though it might prove to be a step toward that objective. This proposal is directed, as I said earlier, to only one of the enormous problems with which we and the world are confronted, the specific and serious problem of the poisoning of the earth's atmosphere by nuclear experiments.

We must go one step at a time. This step, I believe, would be received with almost incalculable relief and unanimous approval by all the people of the world, our own people included. It would strengthen immeasurably our Government's and our country's leadership in the desperately difficult tasks with which all humanity in our time is faced.

ADJOURNMENT

Mr. MORSE. Mr. President, I move, in accordance with the order previously entered, that the Senate now adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 58 minutes p. m.) the Senate adjourned, the adjournment being, in accordance with the order previously entered, until tomorrow, Wednesday, April 16, 1958, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 15, 1958

The House met at 12 o'clock noon.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. McCORMACK) laid before the House the following communication, which was read:

APRIL 15, 1958.

I hereby designate the Honorable JOHN W. McCORMACK to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker of the House of Representatives.

PRAYER

Father Joseph F. Thorning, pastor of St. Joseph's Church, Carrollton Manor, Md., and associate editor of World Affairs, offered the following prayer:

Heavenly Father, author of light and of love, let the brightness of Thy countenance shine radiantly upon the Speaker of this House and all the Members of the United States Congress together with their fellow legislators throughout the Western Hemisphere.

Grant a special blessing to the Presidents of all the American Republics and those who counsel them.

Vouchsafe, Almighty God, Thy divine graces upon that noble type of spiritual leadership that unites rather than divides, that recognizes the good qualities in our neighbors rather than defects, that realizes we must uphold human freedom and genuine social progress against the propaganda and agitation of the worldwide masters of deceit.

Strengthen our faith in the truths of the Old and New Testaments that constitute the basic tradition of all peoples in the New World.

Enlighten our minds, we beseech Thee, dear Saviour, and fortify our wills that we may have the courage to maintain and increase our heritage, combining love of country with devotion to mankind.

We implore these graces in the name of our most holy Redeemer, the Christ of the Andes, who is the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

ELECTION OF HON. JOHN W. McCORMACK AS SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair requests the gentleman from Oklahoma [Mr. ALBERT] to assume the chair.

Mr. ALBERT assumed the chair.

Mr. PRICE. Mr. Speaker, I offer a resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 527

Resolved, etc., That Hon. JOHN W. McCORMACK, a Representative from the State of Massachusetts, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker.

Resolved, That the President and the Senate be notified by the Clerk of the election of Hon. JOHN W. McCORMACK as Speaker pro tempore during the absence of the Speaker.

The SPEAKER pro tempore [Mr. ALBERT]. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

Mr. PRICE administered the oath of office to the Speaker pro tempore.

PAN AMERICAN DAY

Mr. FASCELL. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 528

Whereas April 14, 1958, 68th anniversary of the founding of the Pan American Union, marks another milestone in the continuous and mutually gratifying relationship of the 21 American Republics; and

Whereas the House of Representatives ever since the founding of the Pan American Union has encouraged cooperation for the common security and welfare in the mutual best interests and aspirations of the peoples of this hemisphere; and

Whereas the 21 respective legislatures traditionally honor the observance of April 14 as Pan American Day, symbolizing inter-American friendship; and

Whereas the House of Representatives is cognizant that this friendship is one of the greatest safeguards of our mutual security, cemented by fraternal bonds which contribute to peace and progress in this hemisphere and consequently throughout the world: Therefore be it

Resolved, That the House of Representatives extend its most cordial greetings to the representative bodies of each of the other American Republics on the occasion of Pan American Day and its profound desire for the maintenance of mutually beneficial relationships, in recognition of the importance of inter-American cooperation and solidarity to the peace and security of the hemisphere and of the Free World.

Copies of the present resolution shall be distributed to the legislatures of the American Republics and to the Secretary General of the Organization of American States.

The SPEAKER pro tempore. The gentleman from Florida [Mr. FASCELL] is recognized for 1 hour.

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks immediately following the remarks I am about to make; also that all Members may have 5 legislative days within which to extend their remarks in the CONGRESSIONAL RECORD on the subject of Pan American Day.

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

There was no objection.

Mr. AVERY. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. FASCELL. I yield.

Mr. AVERY. Mr. Speaker, is the Private Calendar going to be called today?

The SPEAKER pro tempore. This day has been set aside for exercises in connection with Pan American Day. The Private Calendar will be called following the conclusion of those exercises.

Mr. AVERY. Mr. Speaker, I should like to thank the gentleman from Florida for yielding to me and to assure him that I shall listen with great interest to his address on this great occasion.

Mr. FASCELL. I thank the gentleman.

Mr. Speaker, today we are celebrating the 68th anniversary of the founding of the Pan American Union, now the Secretariat of the Organization of American States. This day is traditionally observed by the 21 American Republics as Pan American Day.

This day is not merely one day set aside for recognition of the friendship which binds the republics of the hemisphere but also serves as a symbol of cooperation between the United States and Latin America in cementing the good will existing between us. Pan American Day recalls to mind that the Organization of American States, as an agency, has done much to bring our countries closer together. On several occasions in the past few years, the Organization, through statesmanlike action, was able to avert serious disputes which arose between sister American Republics. The Organization has done much in the fields of economics, health, sanitation, and social welfare, and continues to be a strong force in building the solidarity of the hemisphere.

More than a century ago Simón Bolívar, the great Latin-American leader and patriot, made the prophetic declaration that in the freedom of America lies the hope of the world. It was not until 1889 that a common goal for Western Hemisphere solidarity was established by the International American Conference in Washington, D. C. Today the Organization of American States amply demonstrates that the sharing of the responsibility for the preservation of freedom can result in a reconciliation of divergent opinions and different backgrounds that serve as a bulwark of security and cooperation.

The joint endeavors of the Latin-American countries and of the United States have shared the same common purposes, and in an atmosphere of good neighborliness our differences and mutual problems have been resolved to the benefit of all.

In this hemisphere we have had the courage to approach openly many problems for which solutions had not been found in international society. Some of these problems have found their first solution in the Americas. On other problems we have made the greatest progress toward an eventual solution that has yet been achieved. These accomplishments have been achieved because we do not let differences of opinion divide us or breed distrust among us.

In the Americas we have developed a hemispheric approach to security which was sealed in the Rio Treaty of 1947. We unanimously agreed that an attack on any one State would be considered an attack on all. This concept of collective security has served as a pattern for the strengthening of the entire Free World.

We all share the conviction that the solidarity of the American States contributes to the discharge of our historic responsibility to make of these lands a better home for all our citizens and for our children, and a better inheritance for other generations of Americans.

Mr. Speaker, it is an honor and a privilege for us to salute the Organization of American States on Pan American Day and to tender our sincere respects to the governments and the peoples of the Latin-American Republics.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I have enjoyed tremendously, I would say to the gentleman, his remarks on Pan American Day. We cannot stress too often the solidarity we have among the Americas. It was my great privilege to be one of the delegates to the Inter-American Conference at Mexico City resulting in the act of Chapultepec, which I think has done so very much in a cooperative military way. I congratulate the gentleman.

Mr. Speaker, I ask unanimous consent to include with my remarks at this time an editorial from the Lowell Sun praising Pan American Week.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

(The editorial is as follows:)

PAN AMERICAN WEEK

The annual Pan American Week observance in the Western Hemisphere commemorates the historic occasion on April 14, 1890, when the 21 Republics of the America's pooled their intellectual and diplomatic resources in an effort to promote the peace, the prosperity and particularly the good will of the Western World.

The Pan American Union that emerged from the first international conference of American states in Washington 68 years ago is one of the oldest and most successful of all international movements for the improvement of human relations.

As the forerunner of the present Organization of American States, created in 1948 at the Bogotá Conference, it has been an integral part of the continuing program to dedicate the material and human resources of the American Republics to the profit and happiness of mankind.

That the pursuit of peace has persisted and prospered without discouragement over this long span of years, in the face of tremendous obstacles and difficulties, reflects the wisdom and integrity of the hemispheric leadership as a whole.

There have been serious and even critical estrangements between the Republics. But the nations and peoples of the two great continents have never abandoned the basic purpose of making justice and brotherhood and good neighborliness the ultimate and permanent way of life of the Western World.

The American Republics have carried on this vital work of peace and good will. As equals and with respect for racial and religious and political differences.

They have given the whole world a rich example of how it is possible for good neighbors to live amicably and profitably together.

This is an important anniversary, and the warmth and enthusiasm of its observance attest the determination of the peoples of the Americas to make the way of peace the ultimate way of the world.

Mr. FASCELL. I thank the gentlewoman for her remarks and for her continued interest in Pan American solidarity, particularly as she comes from New England.

Mrs. ROGERS of Massachusetts. In New England we feel very strongly about it. And most wholeheartedly endorse every friendly action taken to unite us. It means much not only to our happiness and well being but to our security.

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield.

Mrs. ST. GEORGE. Mr. Speaker, I, too, would like to commend our colleague from the great State of Florida for introducing this resolution which I feel is one of the greatest importance. Our solidarity with our Latin American, South American and Central American

neighbors is one of the most important cornerstones of our own freedom and our own strength. I would also like to remind the gentleman that this year for the first time in Rio de Janeiro, the Interparliamentary Union will hold its big conference. As the gentleman doubtless knows, every Member of the House of Representatives and every Member of the Senate is automatically a member of the Interparliamentary Union, and I sincerely hope that on this occasion, the United States will go to that conference and have a truly representative delegation there so that the people of Latin America can see that we are with them and that we stand together with them on this very great occasion.

Mr. FASCELL. I thank the gentlewoman for her very timely and important reminder with reference to the Interparliamentary Union. I congratulate her on her usual concise and clear statement of the importance of hemispheric solidarity.

Mr. McCORMACK. Mr. Speaker, on April 14 and 21 American Republics celebrate the anniversary of a dream come true. Over 130 years ago 2 men, 1 North American and the other South American, envisaged a union of the free nations of America.

In South America, the great liberator, Simón Bolívar, conceived of a union of the democracies of the Western Hemisphere. The draft prepared by Bolívar for the conference he called in Panama in 1826 contained these prophetic words:

> This congress seems destined to form the vastest league, the most extraordinary and the strongest which has ever appeared on earth. * * * No one of (the nations) will be weak in respect to any other; no one will be stronger. A perfect equilibrium would be established in this truly new order of things. The strength of all would come to the aid of any one which might suffer from the aggression of a foreign enemy.

In the young United States of America another statesmen was dreaming along the same lines. Henry Clay, Secretary of State under President Adams, observing Russia, Prussia and Austria plot to restore the Spanish monarch to Spain's former dominions in America, urged the creation of a human-freedom league uniting all nations from Hudson Bay to Cape Horn.

Both men were to be disappointed in their lifetimes. Their dream of a New World, set apart from the rivalries and bloodletting of the Old, and united in defense of its republican ideals, did not spring into being full blown. Two-thirds of a century passed before sentiment in the Americas caught up with the foresight of Bolívar and Clay.

It is quite true that during the 19th century many border and other disputes were settled amicably between the nations of the New World. But a number of episodes betrayed early visions of a peaceful America. The Paraguayan War with Paraguay, Brazil, Argentina, and Uruguay embroiled in fratricidal struggle, the war of the Pacific when Chile went into battle against Peru and Bolivia, and our own war with Mexico belied the aspirations of the early visionaries that the scourge of war could be eliminated in the Western Hemisphere.

Besides engaging in combat with each other, the American nations ignored another facet of Bolívar's dream—unity against foreign aggression. To mention the most flagrant case, when the French imposed Maximilian as monarch of Mexico in the 1860's, none of Mexico's sister nations rose to its aid.

Despite intermittent warfare and defaults in solidarity, the conviction that the New World could be a breeding ground for peace and cooperation continued to take root. Finally, in 1889 a first step was made toward the continental cooperation which Clay and Bolívar had urged. It was but a timid step. Men from 18 of the then 19 existing republics met in Washington; their mission—to discuss commercial cooperation. Although there was much quoting from the early visionaries at that first inter-American parley, the delegates did not exceed their mandates. They stuck closely to commercial considerations.

Yet that meeting laid the groundwork for the great Organization of American States we know today. One of the acts of the First Inter-American Conference was the creation of an International Union of American Republics with headquarters in Washington. The International Union was, in fact, no union at all. It was no more than a commercial bureau, the avowed purpose of which was to distribute commercial information to merchants and shippers. It cost the modest sum of $36,000 annually to maintain. The two smallest countries contributed less than $100 each for its support. So unimportant was the establishment of the Bureau considered that no ratification was required from the 18 member nations.

Yet from that little Bureau established on April 14, 68 years ago, grew the robust Organization of American States whose birthday we so gratefully commemorate today. Step by step, and only when public opinion in the Americas was ready for change, the American republics granted new functions to its fledgling organization. At the second Pan American Conference in Mexico City in 1901, the Guatemalan delegate proposed that the Bureau begin to operate outside the purely commercial sphere. It was not, however, until 1906 at the third conference in Rio de Janeiro that the Bureau was endowed with certain noncommercial functions. Then it was empowered to act as a permanent committee for the Inter-American Conferences and to recommend topics to be included in the program of future conferences.

In 1910 the Bureau's name was changed to the familiar Pan American Union. That same year it really began to look as if the idea of periodic inter-American conferences was here to stay. The member governments contributed, along with a sizable grant from Andrew Carnegie, to the building of a permanent headquarters, the beautiful Pan American Union Building on the corner of Constitution Avenue and 17th Street NW.

Of course, a building alone will not make an institution function. The magnificent headquarters of the League of Nations in Geneva could not save the League from crumbling. In the case of the Pan American Union, a positive, if intangible, spirit of inter-American brotherhood kept Bolívar's dream alive. Even when wracked by stormy discussion, misunderstanding, and mistrust, the Pan American Union hung together.

It is truly a marvel that the inter-American cooperative endeavor withstood the political storms of the first quarter of the 20th century. During that period the United States pursued policies which were bitterly unpopular in Latin America. In particular, the unilateral application by the United States of the Monroe Doctrine to prevent real or imagined threats of European intervention caused grave concern south of the Rio Grande, as did unilateral intervention by United States Armed Forces to protect American lives and property. Latin American suspicions and fears were reflected in their reluctance to grant the Pan American Union any substantial powers. The mere fact that the Pan American Union headquarters was located, as cynics were wont to say, "in the shadow of the State Department" caused Latin Americans to shy away.

Fortunately, the era of animosity that could have scuttled the Pan American Union came to a close in the 1930's. The adoption by the United States of the good neighbor policy, with its concomitant abandonment of intervention in the affairs of the Latin American Republics, ushered in a new era of cooperation for mutual peace and prosperity. The change came none too soon. With bitterness laid to rest, the 21 American Republics were ready to meet together the challenge posed by the Axis.

The inter-American system as it operated during the war proved its value. It was, however, a loose-knit organization, the result of a topsy-turvy evolutionary growth. After the war the American Republics decided to formalize their relationship. In Rio in 1947, all solemnly signed a mutual defense pact in which they agree to resist aggression or the threat of aggression from whatever source. A year later at Bogotá, the old man among regional organizations got its first constitution. The Bogotá Charter puts into writing what had already been established by more than a half century of trial and error.

Today, 10 years since the old Pan American Union formally became the Organization of American States with a permanent secretariat, and with its principles, purposes, and function defined, we can point gratefully to a proud record of achievement. The American Republics work together through the OAS for our mutual defense against the enemies of freedom and our mutual offense against poverty, disease, and ignorance.

On several occasions the OAS has saved the peace between sister republics. Again last year the peacemaking machinery of the OAS was called upon to settle what promised to be an ugly flare-up. Tensions mounted on the mutual border between Honduras and Nicaragua

over a disputed boundary. The drift seemed to be toward war. At that point, both countries invoked the Rio Treaty, and the machinery of the OAS began to roll. The Council met in emergency session. A five-man factfinding committee composed of the OAS ambassadors from Argentina, Bolivia, Mexico, Panama, and the United States was sent to make an on-the-spot investigation. The Governments of Nicaragua and Honduras demonstrated full confidence in the OAS team, even though the members were from farflung points in the hemisphere. Soon raw tempers were soothed and itchy fingers released from triggers, proving once more that the American regional system is indeed a potent instrument for peace.

Among the many developments in the OAS last year, one in particular merits mention. Following up President Eisenhower's suggestion made at the historic Panama meeting of chief executives, a committee of Presidential representatives met to discuss and make recommendations for making the OAS a more effective instrument of inter-American cooperation. The subcommittees appointed to formulate recommendations were in almost continuous session from January until May. They produced 27 recommendations, touching in the main upon the fields of economic and financial matters, agriculture, social welfare, health, education, and technical cooperation. Implementation of the proposals should open a vigorous new era of inter-American cooperation.

It is only proper that we should salute with pardonable pride and profound gratitude the Organization of American States on this, its birthday. It is equally proper on this day to renew our dedication to the ideals of inter-American brotherhood which spark the Organization of American States. Bolívar's and Clay's prophetic conception of a union of American Republics has proved a mighty force for promoting the peace and prosperity of its members.

Mr. NEAL. Mr. Speaker, following precedent set by the American colonies, the Central and South Americans fought and won their independence from Spain. By the Monroe Doctrine and subsequent actions on the part of the United States, the Spanish-American states have come to rely upon their neighbor to the north for protection against foreign aggression and, due to their economic dependence, they have been intimately associated with us in matters of trade and finance.

Due to underdevelopment of natural resources, many of which the United States needs, and its accompanying low-living standards of their population, the nations of Latin America need our economic assistance as much as we need their resources and their friendship.

In these days of tense international relations, when our major problems have centered in European and Asiatic countries, it is well to remind ourselves that Western Hemisphere solidarity is an objective we dare not overlook. It is not enough that our inter-American relations have been amicable. It is most important that we take all steps possible to encourage their internal economic development and strengthen their political and social stability.

In short, the Western World must stand together if we would maintain the democratic way in a world threatened by the philosophy of communism.

Mr. ROONEY. Mr. Speaker, yesterday marked the 68th anniversary of the founding of the Pan-American Union which was created to promote cooperation among the countries of North, Central, and South America. All the people of the Americas have every reason to express their gratitude that so great a group of nations as these 21 American Republics of ours—covering such a vast area and including millions of human beings—have definitely found a way of working together in order to establish a just and lasting peace.

Our country has the distinction of being the first of the American Republics to become independent, and we can pride ourselves on the fact that our sister republics of this hemisphere, as they secured their own independence, patterned their national constitutions on our own Constitution.

It is indeed gratifying to recall the many interchanges with our sister republics which upheld and developed further understanding and cemcnted friendship through the official agencies of government. The progress made to date is a glorious chapter in world history. With a firm purpose and a spirit of unity the Western Hemisphere Republics look forward to further perfecting an understanding and trust upon which our country and our neighbors shall always meet.

In spite of their occasional internal political squabbles, and economic problems, the Pan American family of nations offers all mankind an example in friendly relations and cooperation that would be difficult to equal. It is a pleasure and privilege to join my colleagues in paying tribute to those who work with us to promote hemispheric solidarity and good will.

Mr. FLOOD. Mr. Speaker, it has long been our custom in Congress to set aside a day to pay special tribute to the Pan American system. Those of us who have watched inter-American ties grow and strengthen over the years are indeed gratified today. Since 1890, when the American Republics first met in a hemispherewide conference to find ways to cooperate for their mutual benefit, many mutations and additions to the original pattern of collaboration have erected the finest, most effective international organization in the history of mankind.

We can indeed be proud today of our Organization of American States. In its 10 years of existence, the OAS has earned its reputation as the model of international organizations. Here in the New World we have proved that many nations of diverse races, speaking Portuguese, Spanish, French, English, and a variety of Indian tongues, some more richly endowed than their neighbors, can live together peaceably. With a true respect for the sovereign juridical equality of each member State, we have worked out a system for the frank and loyal exchange of views without the attending suspicions and fears that mar other international efforts at cooperation.

The Organization of American States' notable record for keeping the peace in America is perhaps not as well known as it should be. The fact is that the Council of the OAS on a number of occasions in the past decade, by prompt and stern action, averted bloodshed in the hemisphere. But credit must go, too, to the individual American Republics. In the last analysis, the OAS has proved so capable because its members sincerely desire it to function, and cooperate with it.

We cannot praise the peacemaking functions of the OAS too highly. It is indeed a great boon to the Latin American countries not to have to maintain major war machines out of fear of their neighbors. As for the United States, we can count the OAS a blessing in this respect, too. Without great power, naturally we have nothing to fear from attack by any of our Latin American neighbors. Yet just knowing that international strife and contention, always an invitation to the Communists, does not exist at our back door is a major contribution to our own security.

The American Republics have long known that no nation can progress cut off and aloof from its neighbors. For over two-thirds of a century we in the Western Hemisphere have been broadening the areas in which international cooperation profits all the participants. The OAS has encouraging programs going forward in such diverse fields as nuclear energy, child welfare, and geography and history, among many others.

One thing is certain. None of us would knowingly set out to injure a sister republic. Certainly, as in any family, differences of opinion and different judgments of what is best for the American community will arise. All of us, north and south of the Rio Grande, can be grateful that in the Organization of American States we have an instrument for tempering dissensions and for seeking constructive solutions.

On this, the 68th anniversary of the inter-American way of life, I would like to send our greetings to the 180 million people in the Latin American Republics. Joined together as we all are by the richness and diversity of our cultures, by our shared faith in the western values of and the dignity and worth of man, we are bound to move steadily forward to achieve our declared goal of a peaceful, free, progressive hemisphere.

Mr. PORTER. Mr. Speaker, this week has been set aside as Pan American Week, a time to commemorate our inter-American system. April 14 marks 68 years since the establishment in 1890 of the little commercial bureau, the American Republics' first joint attempt at continuing cooperation. This year the celebration is somewhat special, for it also marks a decade since the Ninth International Conference of American States meeting in Bogotá drew up a formal charter for the inter-American arrangement and baptised it, the "Organization of American States."

Commenting on the anniversaries in last Sunday's Washington Post, my

friend, Karl G. Meyer, calls attention to a curious fact. He writes:

Latin America, according to the venerable stereotype, is a region of turbulence and revolution where governments rise and fall like chaff blown in the breeze.

Yet, strangely, this reputedly turbulent area has been able to succeed—where most of the world has failed—in banishing the plague of war and in forging the oldest and most stable regional organization in the world.

The Organization of American States is indeed a remarkable international development. Twenty-one sovereign and independent nations are joined together by a conviction that peace and cooperation will redound to the mutual benefit of all. In line with this belief, they have empowered the OAS to safeguard the peace and to promote the well-being of the hemisphere.

The Charter of the OAS proclaims the following as the purpose of the OAS:

(a) To strengthen the peace and security of the continent;

(b) To prevent possible causes of difficulties and to ensure the pacific settlement of disputes that may arise among the member states;

(c) To provide for common action on the part of those States in the event of aggression;

(d) To seek the solution of political, juridicial and economic problems that may arise among them; and

(e) To promote, by cooperative action, their economic, social and cultural development.

MAINTAINING INTER-AMERICAN PEACE

In its decade of existence, the OAS has chalked up an enviable record. Perhaps its most important contribution has been its role as guardian of the peace. The new organization had just started to function when it was called upon to head off an impending conflict between Costa Rica and Nicaragua. On over a half dozen occasions in the past 10 years, the OAS has successfully averted full scale war from exploding in the Americas.

Last year the Council of the OAS was called upon to act in a controversy between Honduras and Nicaragua. The manner in which the peace-making machinery swung into action is a tribute to the sincere desire for peace of all the member states. On May 1 the Council of the OAS met to consider a note from the Government of Honduras in which it was claimed that Nicaraguan troops had invaded Honduran territory. The following day Nicaragua in a note to the Council denounced Honduras as "the aggressor state."

The council met in special session on May 2. The chairman appointed an investigating committee composed of the representatives of Argentina, Bolivia, Mexico, Panama, and the United States. Within 24 hours the committee of five ambassadors was on its way to the scene of the disturbances. It met with authorities of the Honduran Government, then flew on to Nicaragua. As a result of its good offices, the committee succeeded in getting both governments to sign a cease-fire agreement.

The investigating committee, from the time of its establishment, had the collaboration of military experts assigned by the governments of the countries represented on the committee. On May 6 a committee of military advisors was set up to investigate the accusations made by both sides and to work out the technical and military aspects of the troop withdrawal plans. Several days later, in response to a request from the council, the governments of Brazil, Chile, Cuba, Ecuador, Paraguay, Peru, Uruguay and Venezuela offered the services of officers of their armed forces.

But the OAS went further than a mere cease fire. The council went ahead and recommended procedures for reaching a peaceful settlement regarding the disputed territory which had led to the armed flare-up. An ad hoc committee of five was set up to collaborate with the Governments of Honduras and Nicaragua in complying with the council's recommendations. Finally, on June 28, the ad hoc committee was able to report to the council that the disputants had agreed to submit their disagreement to the International Court of Justice.

I have dwelled at length on the latest activity of the OAS in keeping hemisphere peace. On this, the anniversary of the inter-American system, the steady, determined efforts of the American Republics to realize a world of law deserve resounding recognition. The American Republics are every bit as nationalistic and as sovereignty-conscious as nations elsewhere on the globe. However, there exists a strong unity of purpose and resolution that force shall never again be an instrument of national policy in our hemisphere.

OAS BUILDS FOR THE FUTURE

But the OAS is designed to do more than preserve the peace. Its astute framers realized that true peace signifies more than an absence of armed conflict. Hence, they included in the charter that one of the purposes of the OAS is to promote, by cooperative action, the economic, social, and cultural development of the member States.

The OAS is trying to speed the day when the social and technological developments of the 20th century will find widespread application throughout the hemisphere.

As long ago as 1902 the American Republics established the Pan American Sanitary Bureau designed "to lend its best aid and experience toward the widest possible protection of public health of each Republic, in order that diseases may be eliminated and that commerce may be facilitated." The Bureau has helped set up health centers and has promoted successful campaigns for the control of smallpox, TB, venereal disease, and other ailments. A dramatic exhibition of the Pan American Sanitary Bureau's work was demonstrated in its program in Haiti. In 1949 the most devastating health problem in Haiti was yaws, a painful disease which incapacitates its victims, causing great economic loss as well as human suffering. Haiti requested PASB help in planning a program to eliminate the crippler. Within 5 years yaws was virtually eliminated from Haiti, at a cost of 30 cents per person. As Dr. Fred Soper, Director of the PASB has written:

The economic benefits to the Haitian economy resulting from the eradication of yaws, a disease that attacked a large percentage of the rural population of this predominantly agricultural country, handicapping and incapacitating many, are incalculable.

Presently, the Pan American Sanitary Bureau is spearheading a drive to eradicate malaria from the hemisphere. The American Republics have learned that eradication of malaria from one country is of little value unless the same result is achieved in neighboring nations, so that reinfection may be eliminated. In the case of malaria, as in so many other instances, coordinated efforts through hemisphere cooperation promise an end to another of mankind's enemies.

It is virtually impossible to list all of OAS' achievements. Work goes forward in many areas simultaneously. One of the OAS goals is to teach millions of now illiterate inhabitants to read and to write. Under OAS auspices, 500 scholarships are to be awarded for advanced studies. At the same time, agricultural experimental stations are working out new methods in agriculture to increase crop yields and are training technicians in modern farming procedures. The OAS' Inter-American Housing Center in Colombia is training men to build vitally needed housing by the least expensive, most efficient methods. Similar projects regarding transportation, nuclear energy, tourism, trade, statistics, and child care are underway.

Alberto Lleras Camargo, the brilliant Secretary General of the OAS from 1947 to 1954, once said:

If all the people of the Americas could be converted into men of our times, the human aggregate would be the most powerful moral, political, economic, and military force the world has ever known.

In the Organization of American States we have a mighty instrument for achieving that goal. It is to be hoped that the next 10 years will see an ever broadening and strengthening of the activities of the Organization of American States. In the meantime, the 21 American Republics are to be congratulated for the splendid model of international cooperation they have erected before the world's eyes.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HON. WILLIAM M. MILLER

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Speaker, today is the 25th anniversary of the beginning of service to the House of Representatives of the United States by one of its most beloved employees. On April 16, 1933, Hon. William M. Miller, known to everyone as "Fishbait" commenced his service with this body.

He has served us in many capacities, as a post office employee, as messenger to the Doorkeeper, as Assistant Sergeant at Arms, and as Doorkeeper of the House

for the 81st, 82d, 84th, and 85th Congresses. He was minority Doorkeeper in the 80th and 83d Congresses.

The Democratic Party, of which Fishbait is a loyal and devoted member, has recognized and made use of his talents and ability in party conventions. He served as Assistant Sergeant at Arms for the 1944 Democratic National Convention, and as Chief Doorkeeper at the 1948, 1952, and 1956 Democratic National Conventions.

While Fishbait is a loyal member of his party, the service he renders in his official capacity as Doorkeeper is just as available to a Republican as it is to a Democrat. He is appreciated and beloved by all the Members of the House and by all its officials. Each Member of the House knows from experience that Fishbait's desire to serve is genuine, and that it is no pretense. His duties are many and varied, and he performs all of them with a high degree of efficiency and punctuality.

In addition to the fine record which Fishbait has made over the years as an official of the House of Representatives, he has also established his record as a faithful Christian and member of the Baptist Church. He is a beloved and devoted member of the Fountain Memorial Baptist Church here in Washington. Those who are well acquainted with Fishbait know that he follows the Golden Rule and practices the tenets of Christianity.

I am certainly glad on this 25th anniversary of his entering the service of the House of Representatives to extend congratulations to him and to wish for him many more pleasant and successful years in his official capacity.

PRIVATE CALENDAR

The SPEAKER pro tempore. This is Private Calendar Day. The Clerk will call the first bill on the Private Calendar.

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 pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

AGAPITO JOROLAN

The Clerk called the bill (S. 280) for the relief of Agapito Jorolan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, on the date of enactment of this act, Agapito Jorolan, of Orlando, Fla., is relieved of any liability to repay to the United States the remaining unpaid balance of the sum which was erroneously paid him during the period from April 1952 to August 1955 by the Military Sea Transportation Service, Department of the Navy, as the result of the failure of such Service to deduct from his salary (pursuant to sec. 2 (b) of the Civil Service Retirement Act of May 29, 1930, as amended, 5 U. S. C. 715 (b)) an amount equal to the amount he was entitled to receive in civil-service retirement annuity payments during such period, the said Agapito Jorolan having been reemployed by such Service subsequent to his retirement on March 31, 1952, under the Civil Service Retirement Act of May 29, 1930, as amended.

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.

FACILITATING ADMISSION OF CERTAIN ALIENS

The Clerk called the joint resolution (H. J. Res. 576) to facilitate the admission into the United States of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Polytimi D. Alezizos, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Bill Louie Morris, citizens of the United States.

SEC. 2. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor children, Sol Carrillo and Nelson Carrillo, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Fred K. Carrillo, citizens of the United States.

SEC. 3. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Amelia Ciccone, shall be held and considered to be the natural-born alien child of Mr. and Mrs. David Ciccone, citizens of the United States.

SEC. 4. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Maria Ciccone shall be held and considered to be the natural-born alien minor child of Mr. and Mrs. David Ciccone, citizens of the United States.

SEC. 5. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Etsuko Yamada Hartwig shall be held and considered to be the natural-born alien child of Mr. Samuel A. Hartwig, a citizen of the United States.

SEC. 6. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Connie Maria Fennessey, shall be held and considered to be the natural-born alien child of Chief Warrant Officer and Mrs. Francis Fennessey, citizens of the United States.

SEC. 7. For the purpoces of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Donato Scarano, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Ralph Scarano, citizens of the United States.

SEC. 8. For the purposes of the Immigration and Nationality Act, Jelena (Helen) Polhovski shall be held and considered to be the minor alien child of Vladimir Polhovsky, who was granted first preference status by the Attorney General of the United States on January 9, 1957.

SEC. 9. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child Zdenka Elizabeth Wukovich, shall be held and considered to be the natural-born alien child of Roy Wukovich, a citizen of the United States.

SEC. 10. For the purposes of sections 203 (a) (3) and 205 of the Immigration and Nationality Act, Luigi Mariano, shall be held and considered to be the minor alien child of Guido Mariano, a lawful resident of the United States.

SEC. 11. No natural parent of the adopted beneficiaries of this act shall, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 1, after the enacting clause, insert new sections 1, 2, and 3 to read as follows:

"That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Santiago S. Nazareta shall be held and considered to be the alien minor child of Blas N. Nazareta, a citizen of the United States.

"SEC. 2. Notwithstanding the provisions of section 202 (a) and (b) of the Immigration and Nationality Act, Mrs. Dudley Anthony Rhodes, nee Mary Grundy, shall be held to be a native of Great Britain for immigration purposes.

"SEC. 3. For the purposes of section 101 (a) (a) (27) (A) and 205 of the Immigration and Nationality Act, Artemio N. Jangaon shall be held and considered to be the minor alien child of M. Sgt. Epimaco B. Jangaon, a citizen of the United States."

On page 1, line 3, strike out the words "That, for" and substitute in lieu thereof "Sec. 4. For".

On page 1, line 8, strike out "Sec. 2." and substitute "Sec. 5."

On page 2, line 3, strike out "Sec. 3." and substitute "Sec. 6."

On page 2, line 8, strike out "Sec. 4." and substitute "Sec. 7."

On page 2, line 13, strike out "Sec. 5." and substitute "Sec. 8."

On page 2, line 18, strike out "Sec. 6." and substitute "Sec. 9."

On page 2, after line 22, insert a new section 10 to read as follows:

"SEC. 10. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Yurdann Atakan shall be held and considered to be the natural-born alien minor child of Charles D. LaRue, a citizen of the United States."

On page 2, line 23, strike out "Sec. 7." and substitute "Sec. 11."

On page 3, after line 2, insert a new section 12 to read as follows:

"SEC. 12. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Joritta Dapilmoto and Lebrada Dapilmoto shall be held and considered to be the alien minor children of Sfc. Guadioso Dapilmoto, a citizen of the United States."

On page 3, line 3, strike out "Sec. 8." and substitute "Sec. 13."

On page 3, line 7, after "January" strike out "9" and substitute "7".

On page 3, line 8, strike out "Sec. 9." and substitute "Sec. 14."

On page 3, line 13, strike out "Sec. 10." and substitute "Sec. 15."

On page 3, after line 16, insert a new section 16 to read as follows:

"SEC. 16. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Michele Attanasio shall be held and considered to be the natural-born alien child of Mr. and Mrs. Jerome G. Attanasio, citizens of the United States."

On page 3, line 17, strike out "Sec. 11." and substitute "Sec. 17."

The committee amendments were agreed to.

The 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.

RELIEF OF CERTAIN ALIENS

The Clerk called the joint resolution (H. J. Res. 580) for the relief of certain aliens.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That, for the purposes of the Immigration and Nationality Act, Giuseppe

Stefano and Carlo DiMarzio 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: *Provided*, That suitable and proper bond or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 2. For the purposes of the Immigration and Nationality Act, Tadeusz Gasowski, Anita Soave, Jose Maria Chan-Caballero, Mrs. Chie Imaizumi Chao, Clement Alphonso Keppie, Magallano Tiong, Joseph Wha Dee Loo, Margaret Chan Loo, Mary Loo, Josephine Loo, John Loo, Ivo Paiva, Sho Ging Wong, Ryoichi Izawa, Anton Stanak, Tran Kinh Khe, Mrs. Ping Ying Chang Tai, Nora Pi-Yen Tai, Yuan Fhing Tai, Sister Ignatia (Marie Nicodemia Wilhelmina Kohlmann), Sister Charlotte (Marie J. Mathijssen), Sister Laurentia (Johanna Gertrude Theresia Smeets), Sister Bernardine (Maria Hendrika Hegeman), Sister Petronella (Johanna Monica Plasmans), Sister Raymonde (Wilhelmina Grada Weyn), Siufeng Huang, and Amado Martelino 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. 3. For the purposes of the Immigration and Nationality Act, Louis Rodriquez (alias Rudolfo Rivera) 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.

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 Emilia Rodriguez Padilha, Maria Carmela DiMascio, Charlotte A. Ruffman, Ingeborg Bildii, Cherine Khalil Matta, Hannah Bloomfield, and Sultane P. Aboudi. 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: *Provided*, That suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act in the cases of Ingeborg Bildii and Cherine Khalil Matta.

With the following committee amendments:

On page 2, line 7, strike out the name "Fhing" and substitute "Shing".

On page 2, lines 8 and 9, strike out the name "(Marie J. Mathijssen)" and substitute the name "(Marie J. Matthijssen)".

On page 2, line 12, strike out the name "Weyn" and substitute "Weijn".

The committee amendments were agreed to.

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER of Pennsylvania: On page 1, line 4, after "Act" strike out "Guiseppe Stefano and".

The amendment was agreed to.

The 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.

BERNARD J. HOFFMAN

The Clerk called the bill (H. R. 6390) for the relief of Bernard J. Hoffman, doing business under the trade name Pyro Guard Service Co.

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 Bernard J. Hoffman, doing business under the trade name Pyro Guard Service Co., of 1311 West Foster, Chicago 40, Ill., the sum of $4,500. The payment of such sum shall be in full settlement of all claims under contract with Veterans' Administration Hospital, Iron Mountain, Mich., No. V5211P–53, dated December 4, 1953, for additional costs incurred through an error on the part of the staff of said Veterans' Administration hospital: *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.

RICHARD ANTHONY NUNES, JR.

The Clerk called the bill (H. R. 7186) for the relief of Richard Anthony Nunes, Jr.

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 the estate of Richard Anthony Nunes, Jr., deceased, the sum of $10,000. Such sum is in full settlement of all claims against the United States, which claim is not cognizable under the Federal Tort Claims Act, on account of the death of Richard Anthony Nunes, Jr., on August 3, 1946, as the result of the explosion of a dud left by the United States Army at Nanakuli, Oahu, Territory of Hawaii: *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.

With the following committee amendment:

Page 1, lines 8 and 9: Strike the words ", which claim is not cognizable under the Federal Tort Claims Act,".

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.

ROY HENDRICKS

The Clerk called the bill (H. R. 7718) for the relief of Roy Hendricks, of Mountain View, Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Roy Hendricks, of Mountain View, Alaska, the sum of $661.70, in full settlement of all claims against the Government of the United States as reimbursement for performance of towing service, repairs, and storage of two trucks seized in or about June 1952, under court process by the United States marshal's office, Anchorage, Alaska: *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.

CONVEYANCE OF CERTAIN PROPERTY IN ALABAMA

The Clerk called the bill (H. R. 9362) to provide for the conveyance of certain real property of the United States to Post 924, Veterans of Foreign Wars.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized and directed to convey to the George N. Meredith Post 924, Veterans of Foreign Wars, Anniston, Ala., all right, title, and interest of the United States in and to the real property containing three and five-tenths acres, more or less, more particularly described in section 2, upon payment by such post to the United States within 3 years after the date of enactment of this act of an amount equal to the fair market value of such real property as determined by the Secretary. Such amount shall be covered into the Treasury of the United States as miscellaneous receipts.

SEC. 2. The real property referred to in the first section of this act is more particularly described as follows:

All that tract or parcel of land lying and being in the southeast quarter of the northwest quarter of section 29, township 15 south, range 8 east, Huntsville meridian, Calhoun County, Ala., more particularly described as follows:

Beginning at a point which is on the boundary of the reservation of Fort McClellan and at boundary marker 59, at the southwest corner of said southeast quarter of the northwest quarter of section, thence north 00 degrees 38 minutes east along said boundary 430.0 feet, thence north 75 degrees east 185 feet more or less to the western right-of-way line of a proposed State highway opposite centerline station 26 plus 00 of said highway, thence south 39 degrees 26 minutes 30 seconds east along said right-of-way line 243.39 feet to a point opposite the P T at centerline station 23 plus 56.61 of said proposed highway, thence southeasterly from a tangent bearing of south 39 degrees 26 minutes 30 seconds east around a curve to the right with a radius of 1,091.9 feet along said right-of-way line an arc distance of 345.5 feet more or less to the south line of aforesaid southeast quarter of the northwest quarter of section 29, thence north 89 degrees 14 minutes west along said south line 512.1 feet more or less to the point of beginning containing 3.5 acres more or less.

With the following committee amendments:

Page 1, lines 4 and 5, strike out the words "Veterans of Foreign Wars" and insert in lieu thereof the words "Veterans of Foreign Wars of the United States,"

Page 1, line 10, strike the words "within 3 years after the date of enactment of this Act".

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.

The title was amended to read: "A bill to provide for the conveyance of certain real property of the United States to Post 924, Veterans of Foreign Wars of the United States."

A motion to reconsider was laid on the table.

CONVEYING CERTAIN LANDS TO THE CHARLOTTE RUDLAND DANSIE ASSOCIATION

The Clerk called the bill (S. 2230) to authorize the Secretary of the Interior to convey certain lands to the Charlotte Rudland Dansie Association.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to convey by patent, without monetary consideration therefor, the south half northeast quarter southwest quarter southeast quarter northeast quarter, section 21, township 27 north, range 102 west, sixth principal meridan, Wyoming, to the Charlotte Rudland Dansie Association for maintenance as a memorial grave site.

SEC. 2. The patent issued pursuant to section 1 of this act shall contain a reservation to the United States of all mineral deposits in the lands and of the right to mine and remove the same under applicable laws, regulations to be established by the Secretary, and terms and conditions which shall not be inconsistent with the use of the lands as a memorial grave site.

SEC. 3. If at any time after issuance of patent under section 1 of this act the Charlotte Rudland Dansie Association or its successor attempts to transfer title to or control over the lands to another without the consent of the Secretary or the lands are devoted to a use other than as a grave-site memorial to Charlotte Rudland Dansie or the association or its successor shall, after due notice from the Secretary, fail to maintain the site in a manner which the Secretary deems fitting and proper, title to the lands shall revert to the United States.

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.

DR. GORDON H. HOOPLE, DR. DAVID W. BREWER, AND THE ESTATE OF THE LATE DR. IRL H. BLAISDELL

The Clerk called the bill (H. R. 6283) for the relief of Dr. Gordon H. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell.

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 Dr. Gordon H. Hoople, Syracuse, N. Y., the sum of $2,369; to Dr. David W. Brewer, Syracuse, N. Y., the sum of $60; and to the estate of the late Dr. Irl H. Blaisdell, Syracuse, N. Y., the sum of $315. The payment of such sums shall be in full settlement of all claims of Dr. Gordon H. Hoople, Dr. David W. Brewer, and the late Dr. Irl H. Blaisdell against the United States for payment of the unpaid accounts for medical treatment and services rendered veterans from 1946 through 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 these claims, 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 out "$2,369" and insert "$1,774"; page 1, line 7, strike out "$60" and insert "$20"; page 1, line 9, strike out "$315" and insert "$170".

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.

CALENDAR WEDNESDAY BUSINESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday be dispensed with this week.

The SPEAKER pro tempore. Is there objection?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. ALBERT. Mr. Speaker, having conferred further with the distinguished minority leader, I modify my original request and ask unanimous consent that the Committee on the Judiciary may sit today while the House is in session.

The SPEAKER pro tempore. Is there objection?

There was no objection.

THE BRUSSELS WORLD FAIR

Mr. MORANO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MORANO. Mr. Speaker, several weeks ago I raised the question of the suitability of the collection of works chosen to represent American art at the Brussels fair.

Many others, including important segments of the American press, joined with me in urging that the proposed exhibit be broadened to include a wider range, and certainly a more exemplary sampling of American artists and American art.

Now I am pleased to have received a most encouraging letter from the Commissioner General of the Brussels fair, Mr. Howard S. Cullman, who by various means has undertaken to increase the scope of American artists' representation at the international exhibition.

The letter follows:

OFFICE OF THE UNITED STATES COMMISSIONER GENERAL, BRUSSELS, UNIVERSAL AND INTERNATIONAL EXHIBITION, 1958,
Brussels, April 9, 1958.

The Honorable ALBERT P. MORANO,
House of Representatives,
Washington, D. C.

DEAR MR. MORANO: Your letter of March 25 has reached me here in Brussels and I want to thank you sincerely for your interest in our project. I am happy to have this opportunity to review in detail some of the decision concerning the American fine arts representation in our pavilion. The misinformed and personally colored editorial in the Art News has unfortunately greatly confused the public.

Just as you, I am not myself a fine arts expert. But, just as you, I appreciate art in many ways. Recognizing this fact, I decided to get the best kind of professional help available. With the advice of Mr. John Walker, Director of the National Gallery, I appointed a seven-man fine arts advisory committee consisting of eminent American museum directors. My staff has been guided throughout its existence by the counsel of this group of professionals.

Though the space assigned to the fine arts in the American pavilion had to be limited because of the wealth of other exhibits, we have tried to show a representative group of works from various fields. On the basis of recommendations from our fine arts advisory committee, we are showing United States Indian art, 19th century folk art and contemporary painting. In addition, we have collected, with the advice of our architect, Mr. Edward D. Stone, a representative group of contemporary sculpture. You may recall that this was the only part of our effort appreciated by the Art News.

Furthermore, the United State museums have lent, through my office, 38 world-famous masterpieces to the International art exhibit organized by the Belgian authorities. Among them are 16 major works by American artists like Hopper, Marin, Tobey, Graves, and others.

It gives me pleasure to tell you that in addition (as a supplement to these separate exhibitions) we will exhibit other leading American painters in my official reception rooms and offices and we have borrowed and installed a group of about 30 American works of art in the official residence of the United States Ambassador for the duration of the fair. Among them is a brilliant large portrait by Sargent. Three important Remingtons, which we had requested from the Museum of Fine Arts in Houston, Tex., were unfortunately denied us. The 15 important contemporary paintings lent to us by the Whitney Museum of American Art include works by Burchfield, Marin, Sheeler, Demuth, Graves and others.

I hope very much that these facts will undo some of the impression that the irresponsible editorial in the Art News may have created. I assure you that the cultural representation in the United States pavilion is going to be varied and of the highest quality. It will represent our artistic origins as well as the different creative trends of today.

Sincerely yours,

HOWARD S. CULLMAN,
United States Commissioner General.

PLEASANT RELATIONS WITH OUR NEIGHBOR REPUBLICS

Mr. SIKES. 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 Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, it is a refreshing thing to look upon the pleasant relations the United States enjoys with our neighbor republics throughout the Western Hemisphere—particularly is this pleasing in contrast with the strife and turmoil; the bickering and distrust which accompany our efforts toward peace and world accord in other areas. I think, Mr. Speaker, that we tend to overlook the importance of the area in which we live and that we are intrigued too much with the machination of the old world. There is in this hemisphere the real promise of tomorrow. We find here some of our staunchest friends and truest allies. Let us show them clearly and firmly that we are equally firm and strong in our friendship for and interest in them.

THE MONTHS HAVE ALL RUN BY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the following editorial appeared in the Woburn Daily Times, March 31:

THE MONTHS HAVE ALL RUN BY

The Wisconsin grave of Joe McCarthy is greening fast. The heavy snows have melted. The ground is loosening to life. The simple, flat tombstone, with its barest facts, is like the cover of an old book that tells the legend of some giant in the distant past.

It is only 1 month short of 1 short year since the Senate Chamber was his funeral parlor. The mourning Senators looked, almost all of them, as though they all had drafted Mr. Eisenhower's message of condolence—ill at ease, confused, their black suits looking as though they had been rented and their mourning as if it had been borrowed.

Joe McCarthy was accused of having attacked freedom of thought and liberalism.

Joe McCarthy was merely a simple man who said that when a man acts freely on the motivation of his free thoughts, that man must be held responsible for his acts. And when a man freely becomes a Communist, he should be held responsible for that free act.

Joe McCarthy saw the central truth of his age: that his country, his faith, his civilization was at war with communism, war pure and simple. "This war will not end except by either victory or death for this civilization," he said again and again.

Was Joe McCarthy a great man? His stature may best be measured by looking again and again at those that hated him.

The tragedy in the life of Joe McCarthy is that he should have been stoned to death in the Senate where he fought ferociously, if not too tactfully, for what the Senate is—a free body of elected representatives deciding the destiny of a free people. As the days go by, more than one of those stalwart citizens wish to God they had those stones back again—they now know they would never have thrown them.

As on the day of his death, one year after we again say: May he rest in peace—the same peace that he sought and fought for us all.

And we anticipate, by a month, the anniversary of Joe McCarthy's death for this is Holy Week. And in Holy Week we can profitably take a spiritual inventory even of our political resentments and mistakes.

MEMORY PERHAPS TRICKING TRUMAN

Mr. KILBURN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KILBURN. Mr. Speaker, this morning in the Banking and Currency Committee an objection was made to include in our hearings on the labor-surplus areas and depressed areas an article by Mr. Arthur Krock of the New York Times. Yesterday in his testimony Mr. Truman in effect called Mr. Krock a liar. This article is in respect to Mr. Truman's testimony on that point.

If our committee wants to get the facts before drafting a bill I cannot understand why they want to suppress a reputable newspaperman replying to Mr. Truman.

I tried to read the article in my 5 minutes and Mr. PATMAN, of Texas, objected and the chairman, Mr. SPENCE, sustained the point of order. Apparently the Democratic members of our committee do not want the facts to be known. I, therefore, include at the end of these remarks, Mr. Krock's article and I hope that every Member of Congress and the people of the United States will read it:

[From the New York Times of April 15, 1958]

MEMORY PERHAPS TRICKING TRUMAN

(By Arthur Krock)

WASHINGTON, April 14.—Harry S. Truman will be distinguished in history for momentous decisions, boldly and promptly made, that help to assure victory to the United States in the greatest war of the Republic and stayed Europe against the spread of Communist rule. For these acts, insofar as contemporary judgment can discern, he will be permanently catalogued as one of the great Presidents.

But on the smaller stage he has played a minor and unfortunate role as an active repudiator of established facts concerning him, even when this reflects without justification on the personal integrity of others. Perhaps a bad memory explains some repudiations. If so, this memory is remarkably bad, as demonstrated by certain statements the former President made today.

He was testifying on anti-recession measures before the House Banking and Currency Committee. He was asked by Representative TALLE (Republican, Iowa) if he still held the view he expressed in an exclusive interview he granted this writer that was published in the New York Times of February 15, 1950: "It is a good thing that job-seeking should go on at all times. It is a healthy thing to have some unemployment * * * from 3 to 5 millions is supportable."

The former President replied: "This exclusive interview didn't happen, it came out of the air." A few minutes later he said that "no newspaperman" had ever talked to him "about unemployment" and that the passage was only "a purported quote from me."

PROPOSED BY MR. TRUMAN

The facts are:

Mr. Truman himself proposed the exclusive interview. At a dinner given February 7, 1950, by the late Senator McMahon, of Connecticut, at the 1925 F Street Club at which the President was a guest, he joined Chief Justice Vinson and me. "My fellow Kentuckian has some questions he'd like to ask you," said Mr. Vinson. "Ask them and you'll get the answers right now and you can print them," said the President. I suggested a different time and place for elaboration. The President told me to make an appointment with him through the late Charles G. Ross, his press secretary. I did so and was received by the President in his office at 3:45 p. m., February 13. I asked these questions and many others; the President answered them in detail and volunteered some observations of his own. I wrote the article reporting the conversation. This I completed late that night, and, by the customary understanding with the President, submitted the article before publication for any editing or other revision.

The next day at 11:30 a. m. Ross telephoned me to come to his office. There he said he had gone over the manuscript with the President, who said "it was accurate in every detail." Rogg suggested a few minor changes, but none in the passage about unemployment, and returned me the copy for publication as an exclusive interview with the President. It appeared without delay in The Times of February 15.

On February 16 the President held a news conference at which this interview was the principal topic. He was asked specifically: "Was the interview authorized in that form?" He replied: "It was." On the previous day, asked by The United Press "if the exclusive interview granted by President Truman to Arthur Krock was an accurate portrayal of the Chief Executive's views," Ross answered: "To the best of my knowledge and belief, those are his views."

MR. TRUMAN JUSTIFIES HIS ACTION

At the news conference on February 16 Mr. Truman further established his authorization of the interview and its exclusive character by responding to the protests of other reporters as described in the following dispatch, published on page 2 of this newspaper February 17:

"Mr. Truman announced in a tone of rebuke that he was a free agent, that he would see only whom he pleased, when he pleased, and say what he pleased to anybody, and he would be censured by nobody * * *. He acknowledged there was a custom that the President does not give exclusive interviews, but he made it plain, with asperity, that no custom could prevail over the prerogative of the President of the United States in his relations with a free press."

This is the record, enough of it public and under the imprimatur of Mr. Truman (fortunately, since Vinson and Ross are dead) totally to refute his first and only disavowal of it 8 years and 2 months later. The most tolerant conclusion on this incident is that a memory, extraordinary in its retention of events in remote history, fails Mr. Truman when the event is part of his own and recent experience. The conclusion is tolerant indeed of a disclaimer that imputes fakery of an interview with a President of the United States, deception of his newspaper and the reading public by the writer of the interview, and a gross fraud committed on the Advisory Board on Pulitzer Prizes.

The board in 1951 certified the exclusive interview as the 1950 prize winner in national reporting. It explained in a resolution that the award was not made formal because of a rule (proposed by the author of the interview, who was a member of the board) that its personnel was ineligible for individual prizes.

UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, the following paragraph appears in the Daily Summary, issued by the United States Department of Agriculture, April 14, 1958. We hear so much today about the markets going down. I think it is time this House should know a little something about the markets when they start to rise:

GRAIN MARKET NEWS

Corn, grain sorghums and soybeans advanced sharply while most other cash grains held firm during week ended April 10. Winter wheat, strengthened mainly by tight supplies, closed unchanged to 1 cent a bushel higher. Spring wheat, boosted mainly by small offerings, went up 1 to 2 cents despite quiet mill demand as a result of slow flour sales. Durum wheat was unchanged, with only fair demand for moderate offerings. White wheat, steadied largely by light offerings, was unchanged at Portland. Rye remained unchanged in limited trading at Minneapolis. Cash corn, sparked by relatively light marketings and effect of payment in kind export program, advanced 5 to 8 cents a bushel. Oats and barley markets were mixed but finished about unchanged. Demand was good, particularly from feed interests, but offerings were generally limited. Grain sorghums jumped 13 to 14 cents a hundredweight at Kansas City and 9 cents at Ft. Worth, moving to new high ground for current crop year. Soybeans went up 4 to 5 cents a bushel, helped by active demand as result of good movement of meal at higher prices and indications that two-third of soybeans under price support will be needed before 1958 harvest if crushing and exports continue at current record pace (AMS report, 1009–58).

PRICE-SUPPORT PAYMENTS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, I am today introducing a bill to put a $50,000 upper limit on the total price-support payments which may be made to individual farmers or to corporate farming enterprises. This is a companion measure to a bill introduced in the other body by the senior Senator from Utah. I recommend it for early consideration.

The logic behind this measure is apparent. The price-support program was and is designed to protect the small family farmer against an overloaded market. It was not intended to underwrite the profits of giant agricultural corporations in which ownership is frequently divorced from actual work on the farm.

I intend to introduce into the RECORD several tables prepared by Harvey R. Sherman of the Legislative Reference Service indicating the extent to which individual price support and acreage reserve payments exceeded the $50,000 figure in the 4 years from 1953 to 1956. Before I put these tables in the RECORD, I want to summarize the salient facts.

These tables show that a total of 372 individuals received price-support loans of $50,000 or more on cotton, wheat, corn, and rice in the 1953–56 period. Ten individuals received these loans in each of the 4 years. Twenty-eight received them in 3 of the 4 years. Seventy-five got them in 2 years. The total number of loans was at least 523.

I say "at least" because the USDA asks State officials to report only the five highest loans in each category. It is quite probable, therefore, that many loans of more than $50,000 were not reported to the Department of Agriculture.

More revealing even, a total of 67 individuals or corporations received price support loans in excess of a quarter of a million dollars during this 4-year period. One corporation, Delta Pine & Land Co., of Scott, Miss., received loans of more than $250,000 in each of the 4 years. A number of corporations got such loans in 3 of the 4 years. In all, there were 97 quarter-of-a-million-dollar loans made during the period to producers of wheat, cotton, and rice.

What we are faced with, in other words, is a situation in which some 67 producers have benefited to the tune of at least $25 million as a result of the price-support program. This was certainly not the intention of Congress in setting up the program.

One word further. The Members of this House are all aware that the use of the word "loan" in this connection is somewhat misleading. But for the benefit of the public I think it should be pointed out here that these price-support payments are what we call nonrecourse loans. That is, they are loans which turn into outright grants if the producer cannot get rid of the wheat or corn or cotton or rice before the loan comes due. They are price guarantees. They are insured profits. They are not loans at all in the normal sense of the word.

And so what we are dealing with here are guaranteed returns of $25 million to 67 corporations and individuals.

This, I repeat, is contrary to the purpose of the price-support program and should be corrected immediately. That is the sole purpose of this bill.

I include at this point in the RECORD the tables referred to above:

Individuals receiving loans in excess of $250,000 in 1953, 1954, 1955, 1956

	1953	1954	1955	1956
Wheat:				
J. H. & N. M. Monoghan Farms, Derby, Colo	X			
Campbell Farming Corp., Hardin, Mont		X	X	X
United States Wheat Corp., Hardin, Mont	X			
Garvey Farms, Colby, Kans.[1]			X	
Cunningham Sheep Co., Pendleton, Oreg	X			
R. H. Phillips, Lind, Wash		X		
Horrigan Farms, Prosser, Wash	X			
Broughton Land Co., Dayton, Wash		X		
Grote Farms, Walla Walla, Wash		X		
Cotton:				
Bogle Farms, Chandler, Ariz	X			
Bing K. Wong Farms, Inc., Marana, Ariz.[2]		X		
J. G. Boswell, Litchfield Park, Ariz		X		
Morrison Bros. Ranch, Higley, Ariz				X
Finley Bros. Gilbert, Ariz			X	
C. W. Neely, Gilbert, Ariz				X
W. R. Neely, Chandler, Ariz			X	X
C. & V. Growers, Stanfield, Ariz			X	
Charles Urrea & Son, Mesa, Ariz			X	X
B. F. Younker, Buckeye, Ariz.[2]	X		X	
Hooper & Rugg, Casa Grande, Ariz				X
B. C. Land Co., Leachville, Ark	X			
Tillar & Co., Tillar, Ark		X	X	X
Lawrence Bros., Driver, Ark			X	
J. G Adams & Son, Hughes, Ark		X	X	
Miller Lumber Co., Marianna, Ark		X	X	
Lee Wilson & Co., Wilson, Ark			X	
Maricopa Farms, 325 3d Ave., Arvin, Calif		X		
Kern Land Co., Bakersfield, Calif			X	X
Crocket & Gambogy, Corcoran, Calif			X	
Westlake Farms, Inc., Stratford, Calif.[2]			X	X
J. G. Boswell, Corcoran, Calif			X	
Reynold M. Mettler, Bakersfield, Calif				X
Schwartz & Circle L Farms, Stratford, Calif	X	X		X
Roberts Farms, McFarland, Calif	X			

	1953	1954	1955	1956
Cotton—Continued				
Wheeler Farms Co., Bakersfield, Calif	X			X
A. Schrier & Sons, Delano, Calif	X			
Epps Plantation, Epps, La			X	X
George B. Franklin, Holly Ridge, La.[2]			X	X
Delta Pine & Land Co., Scott, Miss	X	X	X	X
Bledsoe Plantation	X			
Roy Flowers Mattson, Miss			X	X
Harbert & Co., Robinsonville, Miss	X			
S. H. Kyle, Clarksdale, Miss			X	X
Giffin Inc., Huron, Calif	X	X	X	
Chandler Co., Saragosa, Tex		X		
Leo A. Fisher, Parma, Mo				X
E. P. Coleman, Jr., Sikeston, Mo			X	
Acom Farms, Inc., Wardell, Mo			X	
P. M. Burton, Catron, Mo			X	
Ralph Farms, San Elizaro, Tex	X			
Chandler Co., Ft. Stockton, Tex.[2]			X	
C. & L. Ranch, El Paso, Tex				X
Ivy & McKinney Farms, Pecos, Tex			X	
Lowe Bros., Midland, Tex		X	X	
Lowe Midland & Lowe Bros., Pecos, Tex				X
Buchanan Farms, Pecos, Tex		X	X	
Worsham Bros., Pecos, Tex				X
G. & G. Farms, Pecos, Tex			X	
A. J. Hoelscher, Pecos, Tex				X
Martha M. Russell, San Benito, Tex				X
Rice:				
George Smith and tenants, Dewitt, Ark		X	X	X
George Smith, Wayne Fly, etc., Dewitt, Ark		X		
Southern Rice Farms, Inc., and tenants, Carlisle, Ark		X		
Craighead Rice Milling Co., Jonesboro, Ark		X		
Louisiana Irrigation & Milling Co., Crowley, La		X	X	X
Louisiana Rice Growers (cooperative) Crowley, La				X
Southern Texas Rice Farms, Roshoron, Tex			X	X

[1] Received payment in excess of $250,000 under the acreage reserve program in 1957, and payment in excess of $50,000 under the acreage reserve program in 1956.

[2] Received payment in excess of $50,000 under the acreage reserve program in 1957.

Source: U. S. Department of Agriculture.

Number of price support loans in excess of $50,000 for corn, wheat, cotton, and rice, 1953–56, by States

	Number of individuals receiving loans in excess of $50,000				Total loans for State in excess of $50,000 for 4-year period		Number of individuals receiving loans in excess of $50,000				Total loans for State in excess of $50,000 for 4-year period
	Each of—			For 1 year only			Each of—			For 1 year only	
	4 years	3 years	2 years				4 years	3 years	2 years		
Alabama	1	0	2	8	11	Montana	0	2	3	7	12
Arkansas	0	[1]3	[1]7	14	24	Nebraska	0	0	[3]4	12	16
Arizona	0	0	[2]4	[2]13	17	Nevada	0	0	0	1	1
California	[1]1	[3]2	[1]8	20	31	New Mexico	1	2	2	8	13
Colorado	0	0	0	7	7	North Dakota	1	0	0	6	7
Georgia	0	0	3	7	10	Ohio	1	0	1	[3]7	9
Idaho	0	2	2	7	11	Oklahoma	1	0	0	3	4
Illinois	1	2	2	7	12	Oregon	0	0	4	12	16
Indiana	1	1	2	7	11	South Carolina	0	2	3	6	11
Iowa	0	1	2	6	9	South Dakota	0	2	0	3	5
Kansas	[1]1	0	1	[1]9	11	Tennessee	0	0	1	2	3
Kentucky	0	0	1	5	6	Texas	0	3	7	[1]21	31
Louisiana	0	[1]3	4	16	23	Washington	0	0	4	12	16
Minnesota	0	0	0	3	3	Wisconsin	0	0	0	1	1
Mississippi	1	2	5	16	24						
Missouri	0	1	[1]3	13	17	Total	10	28	75	259	372

[1] 1 individual in this group also received a 1957 acreage reserve payment in excess of $50,000.

[2] 2 individuals in this group also received a 1957 acreage reserve payment in excess of $50,000.

[3] 1 individual in this group received loans on both corn and wheat or cotton and wheat in excess of $50,000 in the same year.

Number of individuals receiving payments under the acreage reserve program, 1956 and 1957, by States (all loans in excess of $50,000)

	1956	1957
Arkansas	0	1
Arizona	0	16
California	0	15
Colorado	0	1
Idaho	0	1
Kansas	1	6
Louisiana	0	2
Mississippi	0	5
Oregon	0	1
South Dakota	0	1
Tennessee	0	1
Texas	0	16
Washington	0	1
Total	1	67

Source: U. S. Department of Agriculture.

Number of years in which all 5 highest loans for cotton, wheat, corn, or rice reported by a State exceed $50,000, for the years 1953, 1954, 1955, and 1956

State	Commodity	Number of years in which all loans reported exceed $50,000
Alabama	Cotton	2
Arizona	do	4
Arkansas	do	4
	Rice	[1]3
California	Cotton	4
	Wheat	3
	Rice	[1]2
Colorado	Wheat	1
Idaho	do	3
Illinois	Corn	3
Indiana	do	3
Iowa	do	1
Kansas	Wheat	2
Louisiana	Cotton	2
	Rice	[1]3
Mississippi	Cotton	4
	Rice	[1]3
Missouri	Cotton	2
	Corn	2
Montana	Wheat	4
Nebraska	do	2
New Mexico	Cotton	4
Oregon	Wheat	4
South Carolina	Cotton	3
Texas	do	4
	Wheat	1
	Rice	[1]3
Washington	Wheat	4

[1] No rice loans were reported by the State ASC offices in 1953.

NOTE.—ASC State offices were asked by the USDA to report only the 5 highest loans in each category. Therefore, it is probable that the States and commodities listed above include loans exceeding $50,000 not reported to the USDA.

Source: U. S. Department of Agriculture.

SURPLUS DISPOSAL

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, when Public Law No. 480, the agricultural surplus disposal bill, was under consideration in the other body last month, the distinguished senior Senator from West Virginia, Mr. REVERCOMB, rose and asked:

Is there anything in the act which would permit the President to keep such commodities at home and not sell them to foreign countries? I have in mind the situation which exists in certain localities throughout the country, where there is need for surplus food. I am advised that the view is taken in the Department of Agriculture that the sale for foreign currencies under title I of Public Law 480 takes precedence over free distribution. Does the Senator feel that that is the expression and intent of section 101, or any other section of the law? Does the Senator feel that sale abroad takes precedence over free distribution in this country, when free distribution is needed by many of the people dwelling here?

The answer was given by the chairman of the Committee on Agriculture, the distinguished Senator from Louisiana:

I may say to my good friend from West Virginia that I do not believe there is anything in the act which gives precedence to our own uses with respect to surplus commodities. * * * As the Senator knows, there are two other titles in the act which deal specifically with gifts to be made abroad, as well as gifts and donations to be made at home. I am certain that the administration of the act should certainly provide for home folks first. * * * I do not know of anything in the act or in the administration of it which would warrant such a conclusion as that indicated by my distinguished friend from West Virginia.

On the following day, however, the Senator from Louisiana rose to correct his statement. He had in the meantime found a letter from the Department of Agriculture containing the following language:

The Commodity Credit Corporation has at the present time 56 million pounds of butter in inventory. Your inquiry, therefore, as to the availability of butter for distribution to needy persons is thoroughly understandable. This butter has been under constant review for several weeks. However, in view of the needs for school-lunch programs (approximating 65 million pounds annually) and for charitable institutions, and for foreseeable sales programs, we have thus far, not felt that stocks have been sufficient to begin general distribution to needy persons. It would appear unwise to start such donations without being relatively certain that current stocks and prospective accumulations will permit distribution over a reasonable period to needy families in all participating States.

The Senator added:

That paragraph seems to be at variance with what we were discussing yesterday.

We all know that the Department of Agriculture later released its butter stocks for distribution to the needy. And this is precisely why many are justly angry. The Agriculture Department had this right all the time. The Department could have used it but chose not to until prodded remorselessly by Members of this Congress. I can recall one personal visit to Under Secretary of Agriculture True D. Morse made by a delegation from this body where I was present. Mr. Morse was most considerate, and received us cordially. At that time there were some 50 million pounds of butter in the custody of the Commodity Credit Corporation, being withheld from America's hungry and unemployed.

Mr. Morse was aware of the amount, and was aware of the need and the enormous amount of butter to come into storage with the heavy spring production. He was, however, most reluctant to move with any speed or decisiveness at all.

Indeed, it would not be stretching the truth to say that had the pressure not gotten intolerable, the Department of Agriculture would now be holding about 72 million pounds of butter. The Department would probably be looking for

an opportunity to sell, or to barter it away abroad, or to use it for soap or something else while our own hungry looked on.

Normally, I believe in broad administrative discretion. I do not like to clamp the executive agencies in leg irons, leaving them no room for maneuver. But, Mr. Speaker, you cannot trust humanitarian programs to flinty hearted inhumanitarians. Time and again Ezra Taft Benson has proved himself as inflexible as stone—and no more sensitive.

Not long ago I tempted the wrath of one of my good friends and colleagues by pointing out how the food-donations program has been administered. The colleague took issue with my interpretation of the figures. Mr. Speaker, I was making no interpretation on my own, I was only using the figures officially published by the present administration. I refused merely to accept the Department of Agriculture's interpretation at face value. I accused the Department of explaining one policy mistake in terms of a second policy mistake. I asked the Department to explain if it could. The reply appearing in the CONGRESSIONAL RECORD, by setting forth the Department of Agriculture's wrongful interpretation of the pertinent statutes, has made my point for me:

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 donations programs have been sold under the title I programs.

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.

Mr. Speaker, that is the official Department of Agriculture position—and let me repeat it—that the Department does not have authority to conduct section 32 operations solely in order to acquire foods for donation to the needy. Mr. Speaker, I quote from the United States Code, title 7, section 612 (c):

There is appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, an amount equal to 30 percent during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be maintained in a separate fund and shall be used by the Secretary of Agriculture only to—encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce, or by increasing their utilization, through benefits, indemnities, donations, or by other means, among persons in low-income groups as determined by the Secretary of Agriculture. * * * Determinations by the Secretary as to what constitutes diversion and what constitutes normal channels of trade and commerce and what constitutes normal production for domestic consumption shall be final.

Mr. Speaker, either I do not understand the English language or Mr. Benson has the power which he has so carefully avoided using. Indeed, it was under this very section that a nationwide food stamp program was carried out under a less callous administration in the late 1930's and early 1940's. I submit that Ezra Taft Benson has all the discretion he needs to make a donations program effective. He has an adequate precedent under which he may act vigorously and a half million dollars to spend on the project if he will but hear the pleas of the hungry. He would have us believe he does not use this authority because it is not there. None are so blind as those who have eyes and will not see.

I propose therefore to compel Secretary Benson to change his view. I propose to give Mr. Benson a clear and unmistakable mandate to use the power he professes to lack. I have therefore introduced a bill to amend Public Law 480 which puts the domestic donations programs ahead of surplus disposal sales to other countries. If we can't afford to feed our own hungry we can't afford to give food away abroad.

If the situation is, as one of my colleagues wishes us to believe, that foreign disposal of surplus commodities has not substantially interfered with domestic donations, then this reversal of priority will not substantially impinge on the sales program. It will, however, give our homefolk perfect assurance that their real needs will be met by their Government before foreign giveaways. It should assist Mr. Benson's public relations, too.

It is interesting to observe the quantities of commodities sold abroad for worthless foreign currencies, or simply given away across the seas. Many of these items are foods which are gotten by the Department of Agriculture in open market operations, and not acquired through the regular price support operations of the Commodity Credit Corporation. This last category are foods which have been in substantial excess to American domestic needs; which have been in effect taken off the market and sent abroad, out of the reach of our own hungry and unemployed.

Those foods, for example, beef, pork, and poultry, are unavailable to our own hungry through our present surplus food distribution program. Fruits, vegetables, fats, and oils are again examples of foods which are shipped abroad, but withheld from our own hungry.

Mr. Speaker, I ask unanimous consent to insert here three tables furnished by the Department of Agriculture showing foods sent abroad and withheld from our own surplus food distribution program. The first shows foods shipped abroad from the beginning of the program under Public Law 480 to December 31, 1957. The second chart is for more recent transactions for the period from July 1, 1956 through June 30, 1957, and the last for the period of July 1, 1957 through December 31, 1957.

TABLE I.—*Approximate quantities of commodities under title I, Public Law 480 agreements signed from beginning of program through Dec. 31, 1957*

Country	Wheat and flour	Feed grains [1]	Rice	Cotton	Tobacco	Dairy products [2]	Fats and oils [3]	Poultry	Dry edible beans	Fruits and vegetables [4]	Meat [5]	Hay and pasture seeds
	Thousand bushels	*Thousand bushels*	*Thousand hundredweight*	*Thousand bales*	*Thousand pounds*	*Thousand pounds*	*Thousand pounds*	*Thousand pounds*	*Thousand hundredweight*	*Thousand pounds*	*Thousand pounds*	*Thousand hundredweight*
Argentina							219,169					
Austria	3,497	10,285		70.3	6,090		33,064			1,969		
Bolivia	2,412		228									
Brazil	85,091	369			121	7,035	50,918					
Burma				125.2	2,772	9,682				1,579		
Chile	8,651			50.9	400		84,738					9
China (Taiwan)				35.6	2,000	5,062	10,811					
Colombia	6,890			59.8			21,503					
Ecuador	1,130			6.0	856		30,193					
Egypt	10,645											
Finland	4,558	1,581		41.2	11,829					10,720		
France					7,716							
Germany								3,000				
Greece	17,939	8,871				29,783	79,051					
Iceland	284	616		.5	392		1,130			8,483		
India [7]	123,519		4,409	500.0	6,000	14,770						
Indonesia	2,889		5,632	244.5	23,037							
Iran	5,227					1,622						
Israel	14,788	16,019	7	19.9	841	60,170	34,200		37	882	40,000	
Italy	887	3,924		453.8	11,798		257,652					
Japan	31,030	12,058	2,142	317.0	9,839							
Korea	5,507	13,181	3,469	49.9	12,667	1,288	3,125				19,842	

See footnotes at end of table.

TABLE I.—*Approximate quantities of commodities under title I, Public Law 480 agreements signed from beginning of program through Dec. 31, 1957*—Continued

Country	Wheat and flour	Feed grains [1]	Rice	Cotton	Tobacco	Dairy products [2]	Fats and oils [3]	Poultry	Dry edible beans	Fruits and vegetables [4]	Meat [5]	Hay and pasture seeds
	Thousand bushels	*Thousand bushels*	*Thousand hundredweight*	*Thousand bales*	*Thousand pounds*	*Thousand pounds*	*Thousand pounds*	*Thousand pounds*	*Thousand hundredweight*	*Thousand pounds*	*Thousand pounds*	*Thousand hundredweight*
Mexico		20,501										
Netherlands				1.8								
Pakistan	39,770		9,043	189.5	5,317	9,257	24,183					
Paraguay	994					933	3,126					
Peru	7,186					154	7,964					
Philippines			357	32.7		10,540	4,125		7		1,867	
Poland	14,808			197.9			42,317					
Portugal	3,879											
Spain	[6] 2,446	6,808		[7] 221.9	11,388		502,806			66,667	72,649	
Thailand					5,332	1,957						
Turkey	33,685	13,563	220				115,576				16,604	
United Kingdom					47,196					34,534		
Yugoslavia	79,540			210.4			192,117					
Total	507,252	107,776	25,507	2,828.8	165,591	152,253	1,777,768	3,000	44	124,834	150,962	9

[1] See the following:

	Thousand bushels
Corn	56,815
Oats	5,806
Barley	33,143
Grain sorghums	12,012
Total	107,776

[2] See the following:

	Thousand pounds
Condensed milk	7,054
Dry whole milk	3,869
Nonfat dry milk	58,680
Evaporated milk	22,425
Butter	29,308
Cheese	13,604
Butter oil	593
Butter oil and/or ghee	10,470
Ghee	4,249
Whey	2,001
Total	152,253

[3] See the following:

	Thousand pounds
Cottonseed oil and/or soybean oil	1,107,731
Cottonseed oil, soybean oil and/or lard	256,255
Linseed oil	12,490
Lard	224,920
Tallow and/or grease	176,372
Total	1,777,768

[4] See the following:

	Thousand pounds
Austria:	
Canned fruit and fruit juices	42
Dried fruit	1,927
Burma:	
Canned fruit and fruit juices	769
Dried fruit	810
Finland:	
Dried fruit	9,800
Fresh pears	920
Iceland: Fresh citrus fruits and fruit juices	8,483
Israel: Dried prunes	882
Spain: Potatoes	66,667
United Kingdom: Fruits, fresh and canned	34,534
Total	124,834

[5] See the following:

	Thousand pounds
Philippines: Variety meats	1,867
Israel: Frozen beef	40,000
Korea: Canned pork	19,842
Spain:	
Canned hams	2,571
Salt hams	2,149
Frozen beef and variety meats	67,929
Turkey: Frozen beef	16,604
Total	150,962

[6] Includes 55,869,000 bushels under fiscal year 1957 program to be shipped over a 3-year period.
[7] 3-year program except rice which is a 1-year program.
[8] Wheat to be sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.
[9] Includes 15,400 bales cotton linters.

TABLE II.—*Commodity composition of programs under title I, Public Law 480, agreements signed July 1, 1956, through June 30, 1957*

[In millions of dollars]

Country	Wheat and flour	Feed grains	Rice	Cotton	Tobacco	Dairy products	Fats and oils	Other	Market value	Ocean transportation [1]	Market value including ocean transportation	Estimated CCC cost including ocean transportation
Austria	2.5	4.1		4.5	0.3		2.0		13.4	1.3	14.7	21.6
Bolivia	4.8		1.5						6.3	.5	6.8	9.1
Brazil	[2] 111.0					2.2	6.5		119.7	19.0	138.7	222.5
Burma					1.0				1.0	[3]	1.0	1.0
China (Taiwan)				5.0	1.7	1.5	1.0		9.2	.6	9.8	12.5
Colombia	8.4			1.9			1.1		11.4	1.7	13.1	17.3
Ecuador	1.0				.5		2.3		3.8	.3	4.1	4.7
Finland	1.7	1.3		1.0	1.0				5.0	.5	5.5	7.8
France					1.4				1.4		1.4	1.4
Greece	13.0	3.4				.8	5.7		22.9	3.1	26.0	36.5
Iceland	.6	.7		.1	.4		.2	[4] 0.5	2.5	.3	2.8	3.6
India [5]	200.0		26.4	70.0	6.0	3.5			305.9	[6] 60.2	366.1	561.0
Israel	4.7	3.7				.8			9.3	1.4	10.7	17.4
Italy		3.0		29.4	5.7		.1		75.3	2.8	78.1	95.3
Korea	2.3	3.8	11.0				37.2		17.1	2.1	19.2	23.3
Netherlands				.3					.3	[3]	.3	.4
Pakistan	29.8		27.4	7.5	1.5	.1	2.2		68.5	5.9	74.4	123.6
Peru	3.5								3.5	.4	3.9	6.0
Philippines			2.5	4.9		1.1	.5	[7] .6	9.6	.7	10.3	15.1
Poland				14.4			3.6		18.0	.9	18.9	24.9
Spain		3.8			2.0		41.3	[8] 14.5	16.6	5.4	67.0	70.1
Thailand					2.0	.5			2.5	.1	2.6	2.9
Turkey	44.3	4.4					7.1	[9] 4.4	60.2	9.3	69.5	95.1
United Kingdom					6.0			[9] 2.2	8.2		8.2	8.2
Yugoslavia	56.1			12.8			15.2		84.1	15.5	99.6	145.7
Total	483.7	28.2	68.8	151.8	29.5	10.5	126.0	22.2	920.7	132.0	1,052.7	1,527.0

[1] Includes only ocean transportation to be financed by CCC except as noted in footnote 6.
[2] 3-year program.
[3] Less than $50,000.
[4] Fruit: dried, fresh, and juices.
[5] 3-year program except rice which is a 1-year program.
[6] Includes $6 million estimated for ocean freight differential for which no rupee deposits are required. The balance, $54.2 million, only, is reflected in the currency use table XV.
[7] Variety meat, $0.5 million; dry edible beans, $0.1 million.
[8] Spain, frozen beef; Turkey, canned and frozen beef.
[9] Fruits, fresh and canned.

TABLE III.—*Approximate quantities of commodities under title I, public law 480 agreements signed July 1, 1957, through Dec. 31, 1957*

Country	Wheat and flour	Feed grains [1]	Rice	Cotton	Tobacco	Dairy products [2]	Fats and oils [3]	Poultry	Dry edible beans	Fruits and vegetables [4]	Meat	Hay and pasture seeds
	Thousand bushels	*Thousand bushels*	*Thousand hundredweight*	*Thousand bales*	*Thousand pounds*	*Thousand pounds*	*Thousand pounds*	*Thousand pounds*	*Thousand hundredweight*	*Thousand pounds*	*Thousand pounds*	*Thousand hundredweight*
France					4,500							
Greece	6,798	3,543				4,299						
Israel	5,545	7,480		5.0	231	45,987	14,763			882		
Mexico		20,501										
Pakistan	21,851		2,182			3,998	2,001					
Poland	14,808			106.9								
Yugoslavia	2,992			10.7								
Total	51,994	31,524	2,182	122.6	4,731	54,284	16,764			882		

[1] Corn.

[2] See the following:

	Thousand pounds
Evaporated milk	4,189
Dried whole milk	541
Nonfat dry milk	22,222
Cheese	5,642
Butter	17,692
Ghee	3,998
Total	54,284

[3] See the following:

	Thousand pounds
Cottonseed and/or soybean oil	11,148
Tallow and/or grease	5,616
Total	16,764

[4] Dried prunes.

A DISTINGUISHED ECONOMIST DISCUSSES RECESSIONS AND DEPRESSIONS AND WHAT TO DO ABOUT THEM

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, what is the difference between recession and depression? Is the difference only one of degree, or are there basic characteristics which make a depression something more than a big recession. Are we now in a depression or a recession?

Is inflation now in evidence, or are we actually having deflation? Why are prices not falling—and why are some prices actually rising—at a time when production and sales are falling and workers are being laid off?

Will an increase in confidence cure the business slump? What would businessmen and consumers have to do as a result of confidence, if psychological medicines alone are to cure the business slump?

The answers to these questions have been given by Prof. Melville J. Ulmer, in an address to the Dade County Chamber of Commerce at Miami, Fla., on April 9. Professor Ulmer, who is a distinguished economist and educator, is chairman of the economics department of American University.

The questions which I have mentioned are, of course, uppermost in our minds today, and they have already received various answers. For example, former President Truman has said that the difference between a recession and a depression is that when your neighbor loses his job, that is a recession; but when you lose your job, that is a depression. President Truman's definition strikes me as a very good one for the purpose of providing practical insights into the attitudes of people and perhaps of Members of Congress. But Professor Ulmer gives a considerably different definition, which is based upon the alinement of the economic factors in the two types of business downturns.

Since Professor Ulmer was speaking to a group of businessmen, he was speaking very plainly, a performance for which any academic economist is to be congratulated. Furthermore, in this address he gives no time to the several remote theoretical bypaths which some of the public commentators like to explore these days. For example, he has no time for the nonsensical idea that monetary controls can or will cure the business slump. And as to the possibility of a substantial reduction in the general price level—which would no doubt cure the slump if such were to be made—he is too realistic to waste time discussing the unlikely possibility that a substantial reduction will be made.

The Members will, I know, be greatly interested in this address; it is one which we can all read with profit. It follows:

HOW TO AVOID DEPRESSIONS

(Address by Melville J. Ulmer, chairman, department of economics, the American University, delivered before the Dade County Chamber of Commerce, Miami, Fla., April 9, 1953)

One of President Eisenhower's chief advisers recently wrote a book entitled "Prosperity Without Inflation." He is now being urged, by the Democrats, of course, to write another one called Inflation Without Prosperity.

Now since I am merely an economist and not a clairvoyant, nor even a politician, I shall not attempt to tell you just how things will be 12 months from now. No mere mortal can do that, and I only wish I knew. But I came here because I thought I could perform a modest service, and that is this. I shall try to pierce the fog of bureaucratic voodoo which has built up around the present business situation so that you can tell where we stand now, from an economic point of view, where we are heading, and what it is possible to do about it.

In the first place, consider this question of inflation. We are frequently told that our economy is inflationary and that this is a real and ever-present danger. Do the facts show that we are really still in that stage? If this word "inflation" means anything, it refers to a scarcity of goods in relation to the quantity of money—a condition normally resulting in rising prices. Any businessman knows that in general today goods are not scarce. Just the opposite. Sales are declining in nearly every sector of the economy. The Labor Department reports that in most industrial centers more than 6 percent of the labor force is unemployed. The number of jobless is increasing, not decreasing. If this is inflation, then north is south, up is down, and it would be much clearer to communicate in smoke signals.

Now it is true that retail prices are still edging upward, and that some manufacturers' prices are quite firm. But this reflects a typical rigidity in some monopolistic branches of industry and in unionized labor markets. It will not be the first time that prices remained firm while production and employment were declining. The same thing happened for a time in 1937. But we would hardly look back at the autumn of 1937 and call that inflation. For that was the beginning of a depression which brought unemployment to more than 10 million workers.

I should also note that the price level as a whole in the United States actually stopped rising 9 months ago. Prices of many basic commodities, such as copper, lead, rubber, wool, and zinc have been dropping sharply. The effect at the retail level should be felt in the months ahead.

I linger on this point because it is important. When a nation finds itself in inflation, it has an obligation to increase taxes and to reduce spending. To do that now would be economic suicide. Nearly everyone knows that. And yet the fear of inflation—a kind of cultural lag—grips and paralyzes the arms of our Washington leaders, so that they cannot confront boldly and confidently the present danger of depression. Our Government is behaving like a family that fears to feed the furnace in winter, because it remembers how hot it was the summer before.

Now using the word "depression" here raises another question of nomenclature, which is not merely a problem in semantics. Are we in a recession, to use a popular Washington expression, or are we in the beginning of a depression? Looking back at the history of the United States we find many small dips in business activity and many very large ones. We had, for example, small declines in 1954, 1949, and 1926. We had big ones in 1937, 1929, and 1921. The difference between the big ones and the little ones, aside from size, is in the behavior of investment. Recessions, or small declines in business activity, are due mainly to inventory adjustments. Temporarily, business becomes overstocked, and production declines

slightly until merchants work off excess inventory. When this happens you have a recession, brief and mild.

Depressions, the major declines in business activity, all have something else in common. This is a sharp reduction in business investment in plant and equipment. For depressions start when the fixed productive facilities of business become larger than required by present and prospective needs. If the automobile industry, for example, has the capacity to produce 8 million cars annually, and if it only sells 4 million, will the auto manufacturers start building large new facilities? When business in general finds itself in this position, when most producers discover that they have excess capacity, new investment drops, employment declines, and the volume of spending contracts cumulatively. This is the indelible mark of depression. Now are we, today, in a recession or a depression?

The answer lies in the behavior of business investment in plant and equipment. In the fourth quarter of last year the annual rate of such expenditures declined by $1½ billion. In the first quarter of this year such expenditures went down by an additional $2 billion. But we have more and better information on the subject than that.

Each year the Commerce Department sends questionnaires to the largest corporations in the United States asking about their investment plans for the coming year. On the basis of a large and representative sample, the commerce statisticians estimate the total plant and equipment expenditures for the entire Nation for the coming year. Their survey shows that in the second quarter of this year—that is, the quarter ending in June—investment will decline by an additional billion and one-half, and that by the end of this year the total decline in investment from its peak last fall will amount to more than $7 billion.

Now it happens that I am fairly familiar with this survey, since some 10 years ago, as an official of the Commerce Department, I was instrumental in getting it started. It has to be interpreted. At a time like this we can expect that the survey would underestimate the decline, for the result of investment reductions tends to be cumulative. For example, when the steel industry finds that its orders from the construction industry are declining, it will reduce its own investments, even more than it had originally intended. I would expect that the actual decline in business investment by the end of this year, taken at an annual rate, will be much closer to $10 billion than to $7 billion.

Now we may return to our original question. Is this a recession or a depression? I think the answer is thoroughly clear, and to pretend otherwise is simply to deceive ourselves. This is a decline which must be taken with complete seriousness, if we are going to conquer it. If calling it a depression helps us to do that, I am all for it, especially since it happens to be accurate.

This brings us to another popularly discussed aspect of the business situation—at least popular in Washington—will we have an upturn in business activity this spring? There has been a certain amount of sentiment emanating from Washington suggesting that we will. Originally, you may remember, the President asked us to wait until we received the figures on unemployment in March. He thought there would be a seasonal decline in the jobless, as the construction industry got under way in the Northern States, and planting activity began on some of the farms. A seasonal rise in business activity doesn't change the fundamentals but the President apparently thought that it would improve our spirits. It happens, however, that we are not even getting this normal upswing. Unemployment actually rose slightly between February and March. The number returning to work in seasonal industries this spring was much less than usual, a fact our newspapers neglected to emphasize. Now the President suggests that we wait until we get the April figures.

I think his tactics are clear. President Eisenhower's objective is to increase business confidence through the repeated assertion that tomorrow we will be better off than we are today. I sympathize with his objective, but have not the slightest hope that it will succeed. This crude psychological approach has never worked. Those few of you who are old enough to remember the refrain, "prosperity is just around the corner," will I think agree with me. But even those of you who are not that old can see that if a businessman is using only one-half of his capacity, he will not rush out to build a new plant simply because a public official declares that tomorrow the sun will be shining. Nor will a jobless man buy a new car on the President's say-so.

Perhaps more important are the objective facts on what is happening now. There is not a glimmer of evidence that the business situation is improving, or that we may expect an upturn this spring. Just before boarding the plane in Washington this morning, I received the latest compilation of economic data from the Commerce Department. Of 14 industry groups for which manufacturers' sales are computed, 13—13 out of 14—were still heading downward. The quantity of new orders—a very important figure—was declining for all of the five industry groups for which they are compiled. Employment and production in general were still declining, after allowances for the seasonal factor. And then, of course, we have the evidence of the decline in business investment that I have already described.

Under these circumstances, to wait from month to month, hoping for this depression to correct itself, is simply playing Russian roulette with the economic security of the American people. The trend under way now suggests that unemployment may exceed 6 million by June, and by December—unless we take proper action—it could reach 10 million. I should like you to note that this is not a prediction that 10 million will be unemployed by the end of this year. It is a warning of the potential economic consequences of indecision. We still have a chance, through bold action, to avert this. At this time, I think a misguided prophet of sweetness and light may be even more dangerous than a prophet of gloom and doom.

Now what can we do about it, and what are the chances of getting it done? I think we will start pulling out of this depression by the end of the year, so that by midwinter things will be looking up again. But this prophecy is conditional. It is prefaced on the assumption that our Government will move with greater vigor and wisdom in the months ahead than it is promising to do right now. And I think that if the businessmen of this Nation make their sentiments known on this subject, the administration will do just that. Some prodding is obviously needed. But to do what? I believe this is a subject, too, on which it would be helpful to have some clear thinking substituted for slogans.

It is sometimes said that if all the economists in the United States were laid end to end, they would never reach a conclusion. Possibly, this story distorts the truth a trifle. At least, economists are practically unanimous on how to combat depressions. In principle at least, the tools are simple and straightforward. The Federal Government has enormous powers to tax, and it has enormous powers to spend. It exercises these powers continuously—and has to. Economists suggest only that the fiscal powers of the Federal Government be used intelligently, with foresight, so as to stabilize the economy.

In principle, as I say, the tactics are simple. When business activity weakens, the Government is expected to reduce taxes and increase its own spending. When it reduces taxes, this obviously permits individuals and business concerns to retain a larger proportion of their incomes. This in turn tends to retain a larger proportion of their incomes. This in turn tends to expand purchasing power and the demand for goods and services. This raises production, employment, and profits. When the Government increases its own spending—on dams, schools, highways, and so on—this stimulates production, employment, and incomes directly. And this also swells the Nation's overall income and increases the demand for goods and services of all varieties. The Government can, and should, act on both fronts; it has the power to act vigorously enough to turn the tide of any depression.

But, of course, it is often rejoined, when the Government increases its spending and reduces its taxes, this means a deficit. This is true, but bear in mind that there is another side to this picture. I have described what Government must do when business activity weakens. But, when conditions are prosperous and we border on inflation, the Federal Government is supposed to do just the opposite. When inflation threatens, taxes must be increased and spending must be lowered. And, if we raise taxes and reduce spending, we ought to enjoy a surplus. Over the long run, if this system is used properly, surpluses ought to balance deficits, or more than balance them. Hence there should be no overall growth in the national debt, and would most likely be a reduction.

To some, I know, this sounds like an idle dream. They point to the Federal debt. It is now $275 billion, isn't it? But those who view the Government debt with alarm should note this: More than 90 percent of our debt was built up during the two World Wars. We did not incur the bulk of this debt through combating depressions. In fact, in peacetime years, we have been approximately balancing the budget. And this is true, contrary to popular opinion, of these postwar years, too. Our debt, which today stands at $275 billion, is actually $4 billion less than it was in 1945, 13 years ago. And in those 13 years our gross national product rose from $213 billion to $430 billion—that is, it nearly doubled. So our ability to pay and our ability to meet interest payments, as judged by our production, doubled, while the debt itself declined. This is far from heading for disaster. If we must raise the debt over the next 12 months to cure this depression—and I am sure we must and will—you can rest assured, from past experience, that we will make up for it later.

The difficulty in the present situation stems from the fact that the economic managers of our Nation have been asleep at the switch, and seem to have difficulty awakening even now. Operating the fiscal powers of our Government requires considerable forward planning. It means writing tax bills in advance, and having them ready for presentation when the occasion requires. It means preparing plans, in blueprint, for the Nation's many needs which must be met by Government. When a public official asserts that he opposes make-work projects, this is a confession of a job undone. No one wants make-work projects. We have more than enough legitimate needs for hospitals, schools, dams, bridges, highways, sewage controls, river reclamations, irrigation projects, and so on. But fulfilling these needs must be planned in advance. And this our Government has failed to do, except in very minor degree. The bills already passed in recent weeks—on highways and on housing—will together have only a minor impact on the total economy in the months ahead. Only the highway bill calls for actual expenditure of Government funds, and this amounts to less than $2 bil-

lion, only a small portion of which is likely to be spent this year.

I am hopeful that in the future we will have a Secretary of Economic Stabilization, with Cabinet rank, who will see to it that we always are prepared, and that when unemployment rises to 5 million, we will automatically have the proper adjustments made in the Government's expenditures and taxes. Such matters should be technical and virtually beyond debate. But in the meantime, at the moment, we have a problem, and I want to come to this.

The foundation of the problem is the decline in business investment on plant and equipment, which promises to reach $10 billion before the year is out. It is this sum which must be offset by the activity of the Federal Government. Otherwise its effect will grow cumulatively. The gross national product as a whole could easily drop by 30 or 40 billion dollars during the year unless the economy is buttressed. And I think we should note two things about this situation. This is a job that the Federal Government must do. State and local governments are helpless. No one of them can assume responsibility for the Nation's business. In fact, in self-defense, State and local governments are at present raising taxes and reducing expenditures. And as you all know from lesson 1, on fiscal policy, this makes the business situation worse. So the Federal Government must support the economy, if it is to be supported at all.

The second thing to note is that our depression has already crossed our borders. In Canada, 9 percent of the labor force is already unemployed. The decline in our demand for copper, lead, zinc, rubber, wool, and other commodities has seriously embarrassed the economies of Chile, Bolivia, Mexico, Australia, Malaya, and others. Europe, Africa, and most of Asia will, in general, feel the effects of our downturn soon. We have, in short, a world responsibility for remaining prosperous, and especially in view of the cold war, we cannot take the responsibility lightly.

Since we have not planned, and have in fact delayed too long, I believe we must move now with particular vigor. I would recommend at once a substantial tax cut, of not less than 25 percent, on both personal and corporation incomes. I think there is a good chance that this will stimulate expenditures by households and business enough to offset the currently declining elements. But we must be prepared for the possibility that it will fall short of the goal. On the chance that it will, the Government should prepare now for a program of public works of at least $5 billion. And it should aim at having these projects ready to start in September, in case the economy is at that time still heading downward.

In my estimation, these steps are guaranteed to dampen the decline in business within the next few months, and would definitely snap us back to prosperity by winter. There is no reason why the United States should ever experience a major depression again, and this, I think, is a good opportunity to prove it. Assuming that we take it, and that we maintain our alertness in the future, the possibilities for long-term growth in our economy are nearly limitless. Judged by past experience, I would expect our gross national product to reach $600 billion within the next 10 years. This is nearly 50 percent more than it is now. And young and vigorous communities, like Dade County, will grow at an even faster rate. We ought not to jeopardize this bright future through excessive timidity now.

FEDERAL SPENDING

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. BETTS] is recognized for 60 minutes.

Mr. BETTS. Mr. Speaker, there was a time when the phrases "financial responsibility," "balanced budget," "debt retirement," and "economic stability" were watchwords and guideposts in Federal legislation. But for 20 years under the New Deal, a philosophy of tax and tax and spend and spend was substituted for these time-honored words. Now, under the pressure of hysteria and political haranguing there is every indication that they are again going to be disregarded in the interest of a Federal spending orgy.

Already, in the Democratic controlled 85th Congress there has been a tendency to disregard what I think is sound fiscal policy. There is always the drive to increase expenditures. A few specific examples which come to my mind are:

The Democratic move to have the entire Atomic Energy Commission operated at the taxpayers' expense, instead of continuing to cooperate with private industry, municipalities and co-ops in the development of power demonstration reactor programs.

Their opposition to a reduction of $10 million for the TVA.

A long bitter fight against postal rate increases to meet the pay increases.

As a matter of fact the only economy move, which I recall, was their opposition to a Republican proposal to restore $313 million to the defense budget.

On the heels of this, other spending proposals have followed sputnik and the spotty recession—apparently on the theory that a spending orgy will cure any and everything. A $2 billion aid program for municipalities has been presented in the other body. On March 12 a Democratic suggestion was offered which would provide $100 billion for education. The recent procedure in connection with the highway bill is an excellent example of the crash technique. A whole bill was revised and put before this body without the opportunity for adequate debate.

When Republicans criticize these crash programs, they are accused of being more interested in a balanced budget than the welfare of the people. But let us see if this is a proper statement of the case. To me, it is a situation which demands calm and reasoned consideration, free from hysteria and political haranguing.

In the first place, it must be understood that excessive Government spending inevitably leads to inflation. Inflation, when allowed to get out of control is an economic evil far worse in its consequences than recessions or depressions. I am not maintaining that a recession is an economic blessing, but it does not have the devastating potentials of inflation which can wreck nations. One has only to recall post-World War I Germany, when it took a wheelbarrow full of currency to buy a loaf of bread, to appreciate the full impact of uncontrolled inflation.

For 20 years under the New Deal philosophy of tax and tax and spend and spend the economy of the country was subjected to the evils of creeping inflation. By confusing inflation with the beguiling term "prosperity" the people were lulled into thinking it was a perpetual blessing. But the plain fact is that tens of thousands of persons were hurt, and hurt seriously, by this economic activity because it carried with it rising prices and rising cost of living. I am speaking of thousands of civil servants, mail carriers, schoolteachers, government employees. I am referring to thousands of pensioners, in advanced years, relying on old-age assistance, retirement income, and annuities. I am also thinking of unfortunates who invested life earnings in insurance, bonds, or savings. To all these the cost of bare necessities spiraled out of reach while their income remained the same. All of them represent the "common man" that early New Dealers were so eloquently proclaiming to be protecting. To them the most spectacular achievement of this 20-year spending orgy is a 50-cent dollar. To them the New Deal spending philosophy has meant the bitter experience of having less and less to pay for rent, food, clothing, and medicine—things vital to existence. It is these persons the administration is thinking about when the President urges caution in excessive Government spending. Should they be penalized more through this inflationary process?

Along with them is the farmer. What about the effects of ruinous inflation on him? With an overwhelming passion to lay all of the blame for the farmer's troubles at the door of Mr. Benson, the Democratic orators have a tendency to forget what their own economic and financial policies have done to agriculture. They forget that under their administration and with legislation sponsored and passed by their party, the influence of huge labor organizations became the dominant factor in our economy. Under pressure from labor leaders, wages in key industries were continually raised, forcing up the prices of steel and equipment the farmer needed until he found they had skyrocketed out of his reach. In fairness, it cannot be denied that this is at least a major portion of the farmer's problem.

In 1930 the cost of a farm tractor was about $900; in 1940 it was $1,400; and in 1950 it was around $2,600. The farmer also learned the bitter truth that the cost of his automobile, his food, and his clothing also followed the same pattern. Try to shift the blame elsewhere, but the plain fact is that the farmer with a small farm, at least in the district I represent, is fully aware of the fact that inflation is the prime cause of his troubles, and that Mr. Benson is not the cause of inflation.

Over the years it has been the farmers and persons with fixed incomes who have written me asking for relief from sky-high prices. But while they were caught in an economic squeeze, no sympathy for them was heard from recipients of higher wages and higher prices for products. The President has cautioned against excessive Government spending, has consistently urged a balanced budget and pleaded with labor and industry to seek a way of curbing the constant increase in the cost of living. Now there is wailing about the results of this economic splurge and the only remedy

that is offered is the time-worn cry of spend and spend.

There is even a more compelling reason for caution in Federal spending and that is the threat of communism. Every Communist leader of note has stated that it would be easier to take over the United States through economic collapse than by military victory. Lenin, Trotsky, Stalin, all have stressed the importance of expanding communism by the bankruptcy of the Free World. I have heard Democratic orators ridicule the balanced budget, asserting that the Republican Party sacrifices social and economic progress for the sake of a balanced budget. But if, as is stated, it is true that communism flourishes in poverty and economic disorder, then fiscal responsibility and a sound economy are certainly powerful weapons against communism.

This places a new emphasis on defense. The Red menace makes it critically necessary to defend ourselves not only on the military front but the economic front. The invader can advance in either field. It means that economic weakness—fiscal irresponsibility—can be as fatal as military weakness. It means that the Republican concept of fiscal responsibility and of caution in Government spending is as important as missiles and satellites and H-bombs.

The House Calendar is full of bills which if passed earlier in the year could have been a boost to the economy through private enterprise instead of Government spending. In the case of the railroads, a whole industry is literally begging for help. Repeal of transportation taxes and many other suggestions could and should have been acted upon long ago. Small business should have been favored with the consideration of many tax relief measures. Elimination of excise taxes, meant only for emergency periods of war, would have stimulated buying.

Those who propose crash spending programs and their inflationary consequences should recall these words of wisdom: "He who is disposed to ignore history must be prepared to repeat it." Let us not ignore the history of the thirties and the forties and repeat the mistakes of those years. Let us not turn our country back along that path of tax and tax and spend and spend. Let us be warned by history and not repeat it.

Mr. McVEY. Mr. Speaker, will the gentleman yield?

Mr. BETTS. I yield to the gentleman from Illinois.

Mr. McVEY. I want to commend the gentleman for his very intelligent approach to a most difficult problem. It seems to me he has discussed one of the most important issues of our time.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. BETTS. I yield to the gentleman from West Virginia.

Mr. NEAL. I, too, want to join the gentleman from Ohio and thank him for bringing this matter to our attention. In the recent visit to my district, one of the chief questions propounded to me was, How is the Congress going to get the money to do all the things that it proposes to do through public spending?

History has proven the faithlessness of Government spending as a means of solving unemployment and business recession.

At this time when national debt and spiraling inflation threatens the Nation's solvency it is perfectly plain that uncalled for appropriations will tend to exaggerate a rapidly growing inflationary movement that will ultimately destroy our monetary system and all it represents. Our taxes already have reached their limit. The price of everything is going sky high. The tendency seems to be that everybody wants to get a little something while getting is good. This applies to the retailer as well as the man selling services, the laborer, and the Government employees.

It seems to me, looking at the whole picture of our action as Members of Congress this year, that the most important thing we can do to take some steps to control the inflationary fever is to find ways to limit appropriations which we, the Congress, make, to a point where at least the present levels of taxation will take care of them. To me, the idea of assuming that we can take care of proposed expenditures with our present tax structure would be to go much further than the economy could possibly stand, if we are to remain solvent.

Mr. Speaker, I think the gentlemen has made some very splendid points and again I wish to commend him.

Mr. BETTS. I thank the gentleman.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. BETTS. I yield to the gentleman.

Mr. CEDERBERG. Mr. Speaker, I, too, want to commend my colleague from Ohio for the fine remarks he has made here today. Certainly during these days it behooves us here in Congress not to be stampeded into unrealistic spending programs which probably will not bring the results we would like, and would get us into programs which would perpetuate themselves over the years. Certainly we are all interested in seeing that our economy remains sound. It cannot be sound unless we pursue proper fiscal policies.

I appreciate the gentleman's remarks.

Mr. BETTS. I thank the gentleman.

Mr. SHEEHAN. Mr. Speaker, will the gentleman yield?

Mr. BETTS. I yield to the gentleman from Illinois.

INFLATION DANGERS

Mr. SHEEHAN. Mr. Speaker, the gentleman from Ohio [Mr. BETTS] is to be lauded by all who believe in a sound America for his keen analysis of our economic situation and the effect of socialistic legislation upon our welfare.

Spendthrift Democrats attacked and decried what they term the Republican "tight money" policy during the years of the Republican administration when prosperity was at unparalleled peaks. Today they blame the tight-money policy for bringing on the economic problems which they now exaggerate. This puts them in the familiar position of using the same facts for both sides of the question.

It occurs to me that this policy of tight money originated with the Federal Reserve Board, 5 of whose 7 members were appointed by Democrat administrations. I do not notice any complaints from Democrats that it is Mr. Truman's own appointees who are responsible for eliminating the loose-money policies of their original sponsor, Mr. Truman.

The Federal Reserve Board supposedly is a nonpartisan agency, and President Eisenhower has seen fit to reappoint two of its members who took office under previous administrations.

The Republican administration managed to bring this country its greatest prosperity in history—and did it without wars and politically inspired crises. The unprecedented prosperity of the past few years produced a buying wave that forced production to its highest peaks. This wave of prosperity and full employment, if coupled with easy bank credit and other loose-money practices, would, as most high-school students know, produce a greater and greater inflation unless one of two things was done:

First. Increase the supply of goods.

Second. Slow the flow of dollars bidding for those goods.

With most plants operating at capacity, obviously it would have been impossible to increase production. I should add that some industries, such as the automobile manufacturers, pressed into a squeeze by Walter Reuther's economic views, already had overproduced.

Obviously, the solution lay in limiting credit. This is what the Federal Reserve Board did. Although this was not an administration move, it had administration support and should have the backing of everyone who does not want to hurl this Nation into a headlong and runaway inflation.

Certainly, every American fully realizes that the European countries which have experienced runaway inflation during this century have suffered the greatest hardships and misery. Everyone must bear in mind the lessons of history and protect our country from the plague of runaway inflation.

The importance of controlling inflation was realized by former President Truman when, on June 14, 1951, he said:

> My fellow Americans, I am going to talk to you tonight about a real, practical, down-to-earth problem that affects the daily life of every American. It affects your savings, your pocketbook, and your standard of living.
>
> This is the problem of inflation and high prices. We have to keep prices down. This is hard to do. And it is going to get a lot tougher as time goes on. The problem is going to be with us for 2 more years at least. It is important for us to face these facts and do what has to be done to keep inflation under control. (CONGRESSIONAL RECORD, June 15, 1951, p. 6781.)

Mr. Truman, from the above remarks, realized the necessity of protecting our country from the dangers of inflation, and noted the importance for America "to face these facts and do what has to be done to keep inflation under control."

But apparently Mr. Truman lets his political demagoguery run away from the importance of facing the facts, and the Democrat Party has adopted a similar

attitude and continues to pursue the tax-and-tax and spend-and-spend policy in order to garner votes, regardless of its results on the economy and on the future well-being of our country.

The gentleman from Ohio, who is a member of the Committee on Banking and Currency and well knows the problems that money brings on our country and well knows the problems that inflation will bring on, certainly would agree with me that President Truman knew the facts in 1951, but apparently in 1958 he refuses to face the facts. Is that not right?

Mr. BETTS. I would think so.

ADMINISTRATION MONEY POLICIES

The SPEAKER pro tempore (Mr. ROGERS of Colorado). Under previous order of the House, the gentleman from Oklahoma [Mr. ALBERT] is recognized for 30 minutes.

Mr. ALBERT. Mr. Speaker, I am sure that I share the opinion of most Members when I say that we were a little bit disappointed in the remarks of our distinguished and able colleagues from across the aisle who have just addressed the House. We thought this occasion might bring forth something original in the way of a Republican approach to a recession which is Republican made, a recession which originated in the hard money and agricultural policies of the administration. I think our friends have simply taken us back to the time some 25 or 30 years ago when we heard the same old talk about Democratic programs and the same old slogans about prosperity just being around the corner.

The legislative program which has been offered to the American people during the present session of Congress to restore prosperity has been of Democratic origin. This includes the housing bill, the omnibus rivers and harbors bill, and the highway bill. All of these measures and others pending before the Congress at this time are designed not only to take up a temporary slack but designed also to provide for the growing and expanding economy and the longtime requirements of our country. You have heard it said recently that we are not in a depression, but we are in a recession. This may be true. I hope it is. The important point, however, is that this Humphrey-Benson-Eisenhower recession is no worse than it is because of the great shock absorbers in the way of Democratic laws placed on the statute books during the Roosevelt-Truman era.

I hold in my hand an article from the Boston Globe of March 22, 1958, which is very pertinent to the present discussion. This article points out that two widely known economists—Ernest T. Baughman and Lynn A. Stiles—recently made the following statements:

> A sound economy means that things are going to improve and not keep deteriorating. Blooming health can be restored.

Baughman and Stiles, economists at the Federal Reserve Bank at Chicago, which is a part of the Government-created central banking system that guides the Nation's credit and monetary policies, added:

> Consumers, though somewhat cautious, are not scared or panicked.
>
> It is virtually impossible for the United States to plunge into a 1930-type depression. Retail sales are holding up well considering the amount of unemployment, the job outlook and short workweek.
>
> Some weaknesses in retail sales can be attributed to the automobile market.

Baughman, who also is an assistant vice president of the bank, and Stiles, listed the following as backstops for a recession or bolsters of the economy which contribute to soundness:

> Backstop No. 1: No run on banks; no money panic—which would upset the banking system. Business, workers, and farmers in spite of a substantial increase in their debts have maintained savings and other liquid assets which are a cushion against hard times.

We might interpolate here that it is the savings of the American people which were accumulated during the 20 years of Democratic administrations that have been the greatest single bulwark against a depression following the hard money policies of former Secretary Humphrey.

Then continuing from this article:

> Backstop No. 2—

And this comes from the officers of the Federal Reserve System, a Government-created agency.

> Backstop No. 2: Government-sponsored Federal Deposit Insurance Corporation which guarantees bank deposits up to $10,000.

The Federal Deposit Insurance Corporation or FDIC bill was presented to this Congress by a Democratic Congress. It was signed by a Democratic President. Is there anyone that doubts that it is Democratic legislation?

> Government-sponsored Federal Savings and Loan Insurance Corporation which protects the investments of savers in the building and loan associations.
>
> Backstop No. 3: The Securities and Exchange Commission which polices the issuance of stocks and bonds and virtually has eliminated fly-by-night issues that used to fleece millions of investors and promote fake get-rich-quick schemes.
>
> Backstop No. 4: Unemployment compensation which covers 60 percent of the Nation's industrial and business employees and helps tide them over joblessness with cash benefits.

The unemployment compensation measure was passed by a Democratic Congress, and signed by a Democratic President, and is Democratic legislation.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. Not at this point.

Social-security benefits with payments to retired and disabled workers as a matter of right: The social-security law was introduced by a Democratic Congressman. It was passed by a Democratic Congress, and every Republican present on the floor voted to recommit that bill and to kill it. It was signed by a Democratic President. It is Democratic legislation.

Mr. Speaker, further backstops which have kept the present recession from becoming a depression: Strengthening and liberalizing public-assistance programs; expansion of the Federal spending, and many others which Mr. Bauhman and Mr. Stiles have pointed to as being cushions. Cushions they are indeed, cushions created under a Democratic Congress.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. Not at this point.

Mr. Speaker, history sometimes repeats itself and sometimes reverses itself. It seems to me that history is repeating itself now. We hear the same excuses, the same alibis, the same complaints about the Government assuming its responsibility in an era when there are more than 5 million Americans unemployed. But whatever else we say, we cannot dispute the facts of history; from the lowest depths of depression, from closed banks to guaranteed deposits, from farm darkness to electrified farms, from sweatshops to labor laws, from farm poverty to price supports, is the indisputable record of the Roosevelt and Truman administrations.

Mr. ANDERSON of Montana. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. ANDERSON of Montana. I hope the gentleman will agree with me that it has been rather interesting this afternoon to see the gentleman from Ohio [Mr. BETTS] and his Republican colleagues still preoccupied with the problems of inflation and still defending the administration's high interest and tight-money policy, with apparently no realization of the fact that this is not an inflation of the type we had after the World War when there were not enough goods and there was too much money. High prices which we are witnessing today are administered high prices, not supply and demand prices. Prices are too high, not because people have too much money and too few goods, but because big business monopolies set their own prices with little regard for costs or competition. Our difficulties arise because we have more goods than the people can afford to buy with the money made available by inadequate farm prices and too low a level of income for the great numbers of our people. The administration's policy, defended by Republican Members on the floor, are those that will deepen that depression.

Mr. ALBERT. I agree with the gentleman. I think if we go back and read the statement of the former Secretary of the Treasury before a committee of Congress, we will realize that this recession was planned and that the hard-money policy was a matter of design on the part of the administration. They set out to slow down the economy of our country and they succeeded.

Mr. ANDERSON of Montana. It seems to me that, continuing the point the gentleman is making, there are many in the party of the opposition who only 2 or 3 weeks ago were saying that this recession is healthy in the long run, and that we ought to enjoy it.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to my colleague from Oklahoma.

Mr. EDMONDSON. To me, Mr. Speaker, the most alarming thing about the remarks made by my good friend from Ohio is the fact he has stated that the Democrats are continuing to make exaggerated claims about our economic trouble. During this past week I attended a meeting in a town in the district I represent, an industrial town, by the way, in which more than one-half of the breadwinners of the town are out of work. They are unemployed, and they are facing an early end to their unemployment-compensation benefits. More than 200,000 Oklahomans practically are in breadlines today and receiving surplus food that is being handed out by the county commissioners of the various counties of that State. That is pretty close to 10 percent of the population of that State that is now drawing surplus food because of the economic condition of that State. The gentleman knows as well as I know that this condition is not confined to a few towns or to a few States. It is a situation that affects cities all over the Union. It applies to the steel industry which is operating at less than 50-percent capacity today; it also applies to the automobile industry. Economic conditions are becoming increasingly dark in a great number of cities of this Nation.

I am most disturbed by the fact that gentlemen on the Republican side of the House continue to say that we are exaggerating conditions, that we are trying to overemphasize the distress of the people. The distress that is present in this country today cannot be overemphasized and is not being exaggerated. If anything we are seeing instead from the spokesmen for the Republican Party a very definite effort to talk it down and to minimize unemployment in this country when it is growing increasingly severe and is going to have to be faced by this Congress because it is obvious that the White House is not going to do anything about it.

Mr. ALBERT. To my friend I would like to say that the 5,200,000 unemployed do not present the entire picture. In addition, there are work slowdowns, short weeks, part-time employment, and a few other things that add up to a total work stoppage measured in terms of human beings and of purchasing power considerably above the official figures on unemployment.

Mr. Speaker, I believe in the two-party system. It is essential to the operation of our democracy. But the thing that makes me proud of the Democratic Party, the thing that makes me proud of Franklin Roosevelt, Harry Truman, and the great administrations over which they presided, is the fact that they offered positive programs to meet the problems of our country, whether of peace, war, or cold war. You will recall that when President Truman was President he met the cold war on every front and in many different ways. He met it with the Greek-Turkish loan, the Berlin airlift, the Marshall plan, and NATO. He met it head on in Korea; he met it wherever it was necessary. He met it positively and affirmatively. All those great programs to meet the cold war were developed during the Democratic administration of President Truman.

What new program has been sponsored to meet the crisis of the cold war by the Dulles-Eisenhower administration? What new idea has been brought forth? Is there anything new in the foreign policy of this country? Has anything been brought forward that was not already in effect under the Truman administration?

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I will tell the gentleman one thing that I think is fairly new under the Republican administration. We are at peace. That has not happened for some time under a Democratic administration.

But let me raise this question. The gentleman would not want to infer in any way that the Democratic Party at any time has ever taken this country out of a depression or a recession except by the route of a war? Is that correct?

Mr. ALBERT. I would say to my distinguished friend that that is not correct.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield further?

Mr. ALBERT. Yes.

Mr. CEDERBERG. During the Roosevelt depression in the thirties and in 1933, we were still in a depression with 9 million unemployed when we went into World War II. Then we came out of World War II and we had good times, but then we went back into the Korean war and we had a recession in 1949. But, as far as I can see, the Democrats have never done anything about taking care of a recession or a depression. We are not blaming the wars on the Democrats, not at all, but we are saying this, that they came at the opportune time to get us out of a recession or a depression.

Mr. ALBERT. I would say to my distinguished friend that he cannot get around the fact that guaranteed bank deposits, that social security, that unemployed compensation, that the great public works programs which were sponsored during the Roosevelt administration not only cushioned against future depressions, but were important to our recovery from the depression of the 1930's. Those programs put men to work, put food in the stomachs of our people, and gave Americans a new lease on life. And, the American people recognized, as they never recognized anything collectively in the history of this country, the greatness of Roosevelt in bringing them out of the Hoover depression, because for four times they elected him to the highest office in the land.

Mr. CEDERBERG. Mr. Speaker, if the gentleman will yield further, first I want to say I would be one of the first to agree that many fine programs came out of those two administrations, but they had fine support on this side of the aisle. You cannot be in power for 20 years without doing something that will do good. The law of averages will take care of that.

Mr. ALBERT. Does the gentleman realize that the Republicans were in power for 12 years after World War I, and what important antirecession measure was passed during that period?

Mr. CEDERBERG. During part of Hoover administration the Democrats were in charge of the House and of the Senate, and they stymied every program that he tried to bring forth. And, let me say at this time that as far as I can see our Democratic friends are more interested in playing politics with this recession than they are about doing anything about it. We, as Republicans, are not interested in unemployment; we want full employment.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I have been listening to this business. Why do you not just hang all the Republicans and send all the Democrats to heaven?

Mr. ALBERT. No. We like the Republicans.

Mr. HOFFMAN. You do?

Mr. ALBERT. We like the Republicans, especially the distinguished gentleman from Michigan. We love him.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I am glad the gentleman has yielded, because I think this discussion has been healthy. I think the main thing that needs to be pointed out is that on these basic measures such as the gentleman has pointed out, like social security, unemployment insurance, the Securities and Exchange Commission, and so forth, that that is not legislation that just grew up overnight or was conceived by Democratic minds as opposed to Republican minds. As a matter of fact, the two greatest extensions of social security and unemployment insurance occurred in the 83d Congress, which was Republican, of course, and a Republican administration. Now I want to go on and point out this fact.

Mr. ALBERT. Before the gentleman goes on, may I say this?

Mr. CURTIS of Missouri. No. I just want to point out that that was done with the assistance of Democrats here in the House and in the Senate. But, I point out also that a lot of these measures were an evolution of our social progress in this country.

Mr. ALBERT. I would like to say to the gentleman that while the Republican Party has seen a little light over the years——

Mr. CURTIS of Missouri. No, no.

Mr. ALBERT. Just a moment now. I listened to the gentleman.

Mr. CURTIS of Missouri. I did not say that.

Mr. ALBERT. I say that the Republican Party has seen a little light. It has extended social security, and most Republicans have supported it, but my recollection is—and we could take time to check the record—that when the social security bill was first before the House every Republican Member—maybe it was

every Republican Member but one—voted to kill it by recommitting it. There are Members in the House now who were Members of Congress at that time and who could verify that statement from memory.

Mr. CURTIS of Missouri. Mr. Speaker, if the gentleman will yield further, I know that the gentleman is familiar enough with Congressional procedure to know that a recommittal vote frequently is on some difference of detail, and I suggest that it was not the principle involved that was being voted on.

Mr. ALBERT. On that point I must say to the gentleman that recommittal motions on all these great programs since I have been in Congress, offered from the Republican side, have generally been motions designed to curtail, to limit, to cut down vital sections of the Democratic program, which was the principal issue.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the distinguished majority leader and Speaker pro tempore.

Mr. McCORMACK. Apropos what the gentleman from Missouri [Mr. CURTIS] has said, I was a member of the subcommittee of the Committee on Ways and Means that drafted the Social Security Act, so I think I know something about it. There was a motion made to recommit with instructions. This was a motion offered from the Republican side. The instructions were to amend the bill and report back forthwith. Had the motion to recommit carried, for all practical purposes, the bill we passed at that time would have been practically destroyed. So I think the statement of the gentleman from Oklahoma [Mr. ALBERT] is correct, as to the damage attempted in the motion to recommit. Of course, after we defeated the motion to recommit, the great majority of the Republicans voted for the bill. It carried by an overwhelming vote. But if they had had their way on that motion to recommit, the Social Security Act that we passed at that time, I believe in 1935, would have carried very little good with it. So the statement of the gentleman from Oklahoma is correct.

Mr. ALBERT. Mr. Speaker, I appreciate the distinguished gentleman's contribution, because that is my recollection of what happened at the time.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield further?

Mr. ALBERT. I yield to the gentleman.

Mr. CURTIS of Missouri. The point is exactly the point that I was making, that the Republicans did vote for the measure. The test, of course, is what that particular amendment was that the Republicans wanted to put on. I do not know what it was. I will say to the gentleman from Massachusetts [Mr. McCORMACK] though, that this is the issue. The gentleman interpreted it as being something damaging to the bill. I, too, have served on the Subcommittee on Social Security of the Committee on Ways and Means. Even now the Social Security law needs considerable amendment and improvement and will continue to need it. Had the Republican proposal been adopted, it may easily be that we would have had a better law.

But I want to point out one other thing to the gentleman from Oklahoma, if I may, in further line with what the gentleman has been pointing out. I am trying to bring this discussion back, if I can, to where it ought to be. The gentleman mentioned that the Truman administration had passed the Marshall plan and the bill to aid Greece and Turkey, for which I think they deserve credit. But that, also, was in the 80th Congress, a Republican Congress.

The point is this: I do not believe that these two great parties of ours are too far apart in the matter of being interested in the welfare of the people of this country. We do differ on details and issues, but we do not differ on the fundamental proposition that we want to move our own country ahead as far and as rapidly as we possibly can. So I think we should, if we could, in these debates, discuss these specific issues. This is what I should like to ask the gentleman. If the Democratic leadership in the Congress is so concerned about this recession as they say they are—and I am concerned—why do they not do something to pass these two tax measures that have been sitting over in the other body, one of them since June of last year, the Forand bill, a bill of some 800 pages, modifying our excise taxes, and the Mills bill which passed here in early January modifying the corporate and individual income-tax law in a very comprehensive way? Both those bills, if passed, would immediately remove impediments to economic growth and provide jobs for our people. Why do they not move ahead on those matters?

Mr. ALBERT. Mr. Speaker, I would say to the distinguished gentleman that the 85th Congress has moved ahead on many fronts.

Mr. CURTIS of Missouri. We have not, though.

Mr. ALBERT. We moved ahead with a farm bill which has been vetoed.

Mr. CURTIS of Missouri. That was just the opposite; that was not going to help the recession.

Mr. ALBERT. A lot of people who know quite a bit about farming disagree with the gentleman.

Mr. CURTIS of Missouri. I do not know who they are, I will say to the gentleman.

Mr. ALBERT. I will say further to the gentleman that we now have pending on the President's desk two very important measures which will go a long way toward giving work to people in this country and strengthening the economy of the country. I refer to the flood control and highway bills. Let the President sign them so that we can be on with our business. We will give him more measures to deal with the recession if he will cooperate and sign those bills which the Congress in good faith, supported by many Republicans, has sent down to him for his signature.

Mr. MORRIS. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to my colleague from Oklahoma.

Mr. MORRIS. It is my thinking and belief that as long as we keep purchasing power in the hands of the masses of our people we will always have good times. The reason for this business recession—it is not a depression, and I hope it never will be—is that many people are out of work. The thing that will cure this recession and give us good economic times here is a program that will keep purchasing power in the hands of the masses of the people.

The gentleman from Oklahoma who has the floor said something very significant and vital just a few moments ago, and I hope the Members on the other side of the aisle will go along with us in overriding the President's veto of the farm bill that was recently passed, because this is what it means, getting down just to dollars and cents.

In the district I have the honor to represent and all the wheat districts in the country the practical effect is this, as I understand it. It will mean $2 a bushel for wheat instead of $1.70 for wheat, and a corresponding difference in regard to cotton and other products. That extra 30 cents that every farmer will get per bushel in the case of wheat, and the cotton farmer will gain correspondingly, in my opinion will help to keep open the doors of small business. I hope the gentleman will join us in overriding the veto.

Mr. ALBERT. I hope our Republican friends will help us in that.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HARRISON of Virginia (at the request of Mr. SANTANGELO), for the balance of the week, because of illness.

Mrs. GREEN of Oregon (at the request of Mr. ELLIOTT), for the balance of the week, on account of official business.

Mr. DIES (at the request of Mr. DOWDY), indefinitely, on account of serious injury to and illness of his son.

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. EDMONDSON, for 2 hours, on Thursday next.

Mr. PORTER, for 15 minutes, today.

Mr. PELLY, for 50 minutes, today.

Mrs. ROGERS of Massachusetts, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PATMAN to extend his remarks in the RECORD following the legislative program today and tomorrow and to include extraneous matter.

Mr. PORTER in four instances and to include extraneous matter.

Mr. MORANO and to include a letter and a statement.

Mr. BALDWIN and to include extraneous matter.

Mrs. BOLTON and to include extraneous matter.

Mr. CELLER (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. DINGELL (at the request of Mr. ALBERT).

Mr. ADDONIZIO (at the request of Mr. ALBERT).

Mr. NEAL.

Mr. HILLINGS (at the request of Mr. SHEEHAN) in two instances and include extraneous matter.

Mr. SIMPSON of Pennsylvania (at the request of Mr. SHEEHAN).

REPUBLICANS REPUDIATE ACCOMPLISHMENTS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Minnesota [Mr. MCCARTHY] is recognized for 30 minutes.

Mr. MCCARTHY. Mr. Speaker, it distresses me to see the Republicans when they find they have accomplished what they said they were going to accomplish trying to repudiate their achievements.

In 1953, shortly after the Republicans were established in power in the White House and here in the Congress, the U. S. News & World Report carried an article to the effect that the administration was planning to bring about a recession.

You may remember that during the campaign of 1952 the Republicans protested against what they called the "treadmill economy" of the Democrats. Of course it was not a treadmill economy. The record shows that the economy was growing at about 4.5 percent a year. They called this treadmill progress and said they were dissatisfied with it. They set out to bring about some changes and they have brought about some changes. They slowed down the economy to the point where the rate of growth is now less than 2 percent a year. This did not happen by accident, if we are to believe the U. S. News & World Report, but by design. "We are going to straighten things out," said the Republicans. And what did U. S. News say? "When this happens, some people will benefit and some people will get hurt." The editor was quite frank about it. He went on to list those who were going to get hurt. And who was to be hurt? Well, he said, certainly the debtors were going to get hurt because they are going to have to pay back in money that would be much harder to get. But, this it seems was all right. This was in keeping with the policy of those Republicans who said it would be a good thing to have a few empty dinner pails, if you remember. So we have a few empty dinner pails today. This was in keeping with the pholosophy of the Republicans who said the farmers were living in a fool's paradise under the Democrats.

One hundred percent of parity for the farmers This was something the farmers should not enjoy in this life—according to Republican judgment. And when the gentleman from Michigan speaking to the gentleman from Oklahoma talked about the propriety, I suppose we should say, of all the Democrats being in heaven because they are all so perfect, I think I might observe that he may be right but that our mission now is to save this country from the Republicans, and to save the Republicans from themselves. It is hard for me to understand the logic of Republicans who come down here into the well of the House and argue for the merits of the Republicans on the grounds that they are always wrong the first time the problem is presented to them.

Take the problems of agriculture—where did they stand on the farm program when it was first presented? Where did the Republicans stand on the Federal Deposit Insurance Corporation legislation when it was first presented to this Congress? Where did they stand on legislation establishing the Securities and Exchange Commission when that problem was presented? Where did they stand when social-security legislation was first presented. The Republicans were against all of these things.

The country seemed to have forgotten about the Republicans by the time the 80th Congress came along. Republicans have told us today, that the Republicans are friendly to social security. What did they do in the 80th Congress the first time they had a chance to do anything to social-security legislation? Seven hundred and fifty thousand American citizens were taken out from under the program. This showed their growth of understanding; they were moving along.

In the last Congress the Democrats proposed disability payments to people who are totally disabled over the age of 50. What did the Republicans do? They voted against it. Yes, the Republicans in great majority opposed it. This is the record of the Republicans in only one field—the field of social-security legislation.

Let us go back to 1953 and the U. S. News & World Report. Who was to be hurt by the new Republican program? The people who were in debt.

Who else would be hurt?

The businessman, the inefficient businessman. Well, the inefficient businessman we find now is the small-business man. What has happened to him? The rate of business failures in 1952 was about 7,000 a year. The rate of business failures now is 13,000. Just the other day the spokesman for the Department of Justice came up before the Appropriations Committee. He needed more money for Justice Department proceedings in bankruptcy. Why did he need it? Because the rate of bankruptcy has increased by over 100 percent. So the Justice Department needs more money in order to give justice to these people who are going bankrupt. These Republicans are law-abiding fellows. They want to give justice to men who are going bankrupt. But, why do they not do something to prevent him from going into bankruptcy? That is the proposition that confronts us here.

Who else was going to get hurt? The farmer—not so serious said the article, because he had already been hurt—he is used to it. Who else? The worker will be alright if he keeps his job. But, the article said obviously the fellows who lose their jobs are going to be hurt.

Then, the editor moved over on the other side to give the full picture. He said: Who will benefit? The creditors. Have the creditors benefited? What has happened to the interest rate; what has happened to the farm mortgages; what has happened to consumer credit. All of these have increased. Consumer credit has gone from $25 billion outstanding to $43 billion outstanding.

Farm mortgages and debt have increased nearly $4 billion. Interest income has increased by some 50 percent.

We must credit the U. S. News & World Report and David Lawrence for having told us the truth, for having pointed out to us as early as 1953 what these Republicans had in mind to do to the country. For the Republicans to come along and say, "This is a surprise to us," is to deny the fact that this was set out as their program in 1953. This is what they said they were going to do. Not only have the Republicans done as well as could be expected, as a Republican said recently, they have done just what we should have expected of them. What has happened? The rate of economic growth has slowed down. Farm income has fallen off about $4 billion. Unemployment is up to five or six million. Small-business failures are up. The reaction by the Republican administration has been the same as it was in the depression in 1929 and 1930. It was pointed out to them in the twenties that there was trouble in agriculture. President Coolidge said, "Farmers have always been poor. There does not seem to be much we can do about it. I do not see how we can do much about this except to allow the normal operation of supply and demand."

What does Ezra Taft Benson say? He says the same thing in effect. He does not say, "Let us have a free market altogether," but he says, "Let us reduce the present price supports to 60 percent of parity." He has moved them down to 75 percent, and now he wants us to open it up so that he can move them down to 60 percent. This about the same thing that Coolidge had to say back in the twenties.

What about labor? The Republicans are talking about what they call the right to work. They want a man free to take any job at any rate he wants to. This is not a new philosophy among the Republicans. They had the same program in the twenties. They called it the American plan, which was to take away from any workingman any kind of protection that he had developed through organization and effort; to take this away, and to do it under what they called the American plan.

The Republicans had a tax program in the twenties. Andrew Mellon was in charge then. What was his program? He said the same thing about the income tax as is being said today. He said, "You have to reduce the income tax on incomes over $66,000," because, he said, "if you do not, it will destroy incentive."

Over $66,000. But, when they said, "How about reducing the income tax on people down below $5,000," Mellon said, "Why, those people have to have a feeling of belonging. If they do not feel they belong to this country, they will lose interest." So Republicans say you have to tax the man down below in order to keep him interested. He loses incentive if he gets more than four or five thousand dollars a year. But when you get up into the 90-percent bracket, they say, "If you do not let this man earn two or three or four hundred thousand dollars, if you tax him too heavily, he will lose interest in this whole operation."

I think that the picture is clear enough. We can contrast what the Republicans did and their record in the twenties and their record since 1952. We can look at what the Democratic Party did after the depression in 1929 and 1930, and look at what the Democrats are proposing to do today.

Mr. MORRIS. Mr. Speaker, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from Oklahoma.

Mr. MORRIS. The gentleman is making a splendid statement. May I just briefly make this suggestion: It seems to me that the present administration insists that a farmer must operate under the law of supply and demand. Yet no one else does. It would be all right for the farmer to operate under the law of supply and demand if others did, but the manufacturer does not operate under it because he is protected by tariffs. The processor, the transporter, the shipping industry, all of them have subsidies. So they are insisting on the farmer operating under the law of supply and demand which puts him at a disadvantage because nobody else operates under that plan. When you are carrying on with a program like that, what happens? The small farmer is put out of business; therefore, his purchasing power is nonexistent and he cannot go to town and help the merchant keep his doors open. This is a two-edged sword. In addition to losing his purchasing power, he goes to town and becomes a competitor for a job of a man in town. So it works doubly bad. He loses his purchasing power; he goes to town and becomes a competitor of the man in town for a job. That is the real cause of this threatened depression.

Mr. ANDERSON of Montana. Mr. Speaker, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from Montana.

Mr. ANDERSON of Montana. I want to compliment the gentleman on a very fine presentation. Perhaps I could make a small contribution by bringing up to date his figures on the rate of growth of our economy. The gentleman from Minnesota has very capably pointed out that under the Democratic Party over the years prior to 1952 our rate of advance was about 4½ percent a year. In the early years of the Republican administration we dropped to 2½. It is my understanding that the current figures show a rate of minus 6. We are presently losing ground at a rate of something over 6 percent a year.

Mr. McCARTHY. That is right. The current rate would give us a negative measure.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from Minnesota.

Mr. CURTIS of Missouri. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER pro tempore (Mr. ROGERS of Colorado). The Chair will count. [After counting.] Forty-eight Members are present, not a quorum.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 35 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 16, 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:

1810. A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1959 involving an increase in the amount of $670,000 for the legislative branch (H. Doc. No. 369); to the Committee on Appropriations and ordered to be printed.

1811. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Federal Home Loan Bank Board for the fiscal year ended June 30, 1957, pursuant to the Federal Home Loan Bank Act (12 U. S. C. 1421), and the Housing Amendments of August 11, 1955 (12 U. S. C. 1437 (b)) (H. Doc. No. 370); to the Committee on Government Operations and ordered to be printed.

1812. A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting a report concerning agreements concluded during March 1958 under title I of the Agricultural Trade Development and Assistance Act of 1954, pursuant to Public Law 128, 85th Congress; to the Committee on Agriculture.

1813. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes"; to the Committee on Education and Labor.

1814. A letter from the Archivist of the United States, transmitting a report on lists or schedules covering records proposed for disposal by certain Government agencies, pursuant to the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

1815. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend section 244 (a) (1) of the Immigration and Nationality Act relating to applications for suspension of deportation"; to the Committee on the Judiciary.

1816. A letter from the executive vice president, National Fund for Medical Education, transmitting a report of an audit of the National Fund for Medical Education for the year ended December 31, 1957, made by Price Waterhouse & Co., New York, N. Y., pursuant to Public Law 685, 83d Congress; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 11078. A bill to promote boating safety on the navigable waters of the United States, its Territories and possessions; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes; with amendment (Rept. No. 1603). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H. R. 7681. A bill to authorize the Secretary of the Interior to convey certain land with the improvements located thereon to the Lummi Indian Tribe for the use and benefit of the Lummi Tribe; with amendment (Rept. No. 1604). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. S. 2183. An act to amend the act of August 2, 1956 (70 Stat. 940), providing for the establishment of the Virgin Islands National Park, and for other purposes; without amendment (Rept. No. 1605). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 11901. A bill to effectuate and enforce the constitutional right to the equal protection of the laws, and for other purposes; to the Committee on the Judiciary.

By Mr. BLATNIK:

H. R. 11902. A bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; to the Committee on Banking and Currency.

By Mr. DELLAY:

H. R. 11903. 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. DEROUNIAN:

H. R. 11904. A bill to provide for the payment of interest on amounts withheld as tax on wages and on certain amounts paid as estimated tax; to the Committee on Ways and Means.

By Mr. DINGELL:

H. R. 11905. A bill to limit the amount of price support payments which may be made to producers of agricultural commodities; to the Committee on Agriculture.

H. R. 11906. A bill to amend the Agricultural Trade Development and Assistance Act to permit use of counterpart funds derived from sale of surplus agricultural commodities abroad for acquiring significant foreign scholarly works; to the Committee on Agriculture.

By Mr. DOOLEY:

H. R. 11907. A bill to amend the Internal Revenue Code of 1954 to provide that certain corporations may elect to be treated as partnerships for tax purposes; to the Committee on Ways and Means.

By Mr. FORAND:

H. R. 11908. A bill to repeal section 1505 of the Social Security Act so that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws, and for other purposes; to the Committee on Ways and Means.

By Mr. MASON:

H. R. 11909. A bill to repeal section 1505 of the Social Security Act so that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws, and for other purposes; to the Committee on Ways and Means.

By Mr. HÉBERT:

H. R. 11910. A bill to authorize the acquisition of land for Chalmette National Historical Park, provide for enlargement of the national cemetery therein, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MACK of Illinois:

H. R. 11911. A bill to amend the Legislative Appropriation Act, 1956, to provide that the plan for the extension of the United States Capitol shall provide for a heliport on the Capitol Grounds; to the Committee on Public Works.

By Mr. MULTER:

H. R. 11912. A bill to abolish the death penalty under all laws of the United States except the Uniform Code of Military Justice, and authorize the imposition of life imprisonment in lieu thereof; to the Committee on the Judiciary.

By Mr. ROBERTS:

H. R. 11913. A bill to amend the Public Health Service Act to authorize grants for research and teaching facilities for existing and new medical, dental, and public health schools; to extend title VII of that act (relating to health research facilities) for an additional 3-year period; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TELLER:

H. R. 11914. A bill to amend the Internal Revenue Code of 1954 so as to reduce the rate applicable to the first $1,000 of taxable income for taxable year 1958 and to repeal or reduce certain excise taxes; to the Committee on Ways and Means.

H. R. 11915. A bill to amend the Internal Revenue Code of 1954 so as to increase the amount of the personal exemption for taxable year 1958 and to repeal or reduce certain excise taxes; to the Committee on Ways and Means.

By Mr. THOMPSON of Louisiana:

H. R. 11916. A bill to amend the National Defense Amendment, and for other purposes; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H. R. 11917. A bill to clarify paragraph 4 of section 15 of the Pay Readjustment Act of 1942 (56 Stat. 368); to the Committee on Armed Services.

By Mr. VAN ZANDT:

H. R. 11918. A bill to prohibit unjust discrimination in employment because of age; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mrs. ST. GEORGE: Resolution No. 153 of the New York State Assembly, memorializing Congress to enact appropriate legislation to enable the railroad industry to compete with other forms of transportation which are aided by public funds; to the Committee on Interstate and Foreign Commerce.

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the case of the *United States* v. *Fallbrook Public Utility District et al.;* to the Committee on the Judiciary.

Also, a memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relating to the economics of disarmament; 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 Mrs. BOLTON:

H. R. 11919. A bill for the relief of William E. Mayer; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 11920. A bill for the relief of Dr. Elie A. Horn; to the Committee on the Judiciary.

By Mr. CURTIS of Massachusetts:

H. R. 11921. A bill for the relief of Aaron Green, Jr.; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 11922. A bill to authorize the Secretary of the Navy to dispose of material to the United States Volunteer Life Savings Corps; to the Committee on Armed Services.

By Mr. HÉBERT:

H. R. 11923. A bill for the relief of Mrs. Rose Bacchus; to the Committee on the Judiciary.

By Mr. JACKSON:

H. R. 11924. A bill for the relief of Grace West Hawkins; to the Committee on the Judiciary.

By Mr. KILGORE:

H. R. 11925. A bill for the relief of Moises Garza Barriga; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H. R. 11926. A bill for the relief of Luningning Seballos Queri and Paul Queri; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 11927. A bill for the relief of Natividade Agrela Dos Santos; to the Committee on the Judiciary.

By Mr. WAINWRIGHT:

H. R. 11928. A bill for the relief of Mrs. Caroline E. Behrens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

557. By Mr. HOSMER: Petition of certain residents of the 18th Congressional District of California, who request enactment by Congress of legislation to prohibit the transportation of alcoholic-beverage advertising in interstate commerce, and its broadcasting over the air, a practice which nullifies the rights of the States under the 21st amendment to control the sale of such beverages; to the Committee on Interstate and Foreign Commerce.

558. Also, petition of certain residents of the 18th Congressional District of California, who request enactment by Congress of legislation to prohibit the charging of a fee to view telecasts in the home; to the Committee on Interstate and Foreign Commerce.

559. By the SPEAKER: Petition of Mrs. G. T. Rote, San Antonio De Bexar Chapter DAR, San Antonio, Tex., relative to being opposed to any alterations to the historic east front of the United States Capitol; to the Committee on Public Works.

560. Also, petition of A. Fred Roberts, Waterly, R. I., relative to those retired previous to 1950 amendment to the Social Security Act; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Tax Reductions

EXTENSION OF REMARKS
OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1958

Mr. SIMPSON of Pennsylvania. Mr. Speaker, for many years than it is charitable to recall, Republican spokesmen have been pointing out a dangerous pattern in our economic life. This is the perilous trend of diverting an ever-increasing share of our national income to government. In fiscal year 1956, about 30 percent of our national income went to meet the combined revenue demands of Federal, State, and local governments. As a consequence, nearly a third of the fruits of our national productive effort were largely lost for purposes of creating new wealth.

While we may disagree as to the extent to which government is nonproductive, I believe we can agree on some basic points. Governments, by their very nature, cannot create as much as they consume—and they most certainly fall far short of the wealth-creating capacities of the private segment of the economy.

If the implications of this situation seem remote or academic, we can approach it from a different point of view. The consequences of this growing burden of government become very clear when we examine its effects on the average wage earner. It then becomes a matter of dinner-table economics. It has been recently calculated that the average worker puts in nearly 2½ hours of each 8-hour working day to pay his total tax bill—the sum of the taxpayments he knows about and the hidden ones in the goods and services he buys. By comparison, food for his family and himself requires a little over an hour and a half. To house his family, this worker must labor about an hour and 25 minutes. The remainder of his family's needs, such as clothing, medical care, transportation, and all the rest are met by his working the remaining 2 hours and 20-odd minutes.

When we put it on this basis, the question of taxes seems to center on some pretty basic questions for the average man:

Should he be required to work nearly an hour longer each day to pay his taxes than to feed his family? Does government give him services which are worth an hour more of each day's

labor than that required to house his family? I doubt that many taxpayers would consider nonessential governmental services of higher value than life's necessities.

Quite understandably, there is widespread sentiment at the present time for tax reduction. However, when we come to the question of which tax reduction plan is best, we face a great variety of proposals. Unfortunately, much of the discussion concerning tax reduction is based on the hope of giving the economy a mere shot-in-the-arm. Little attention is being devoted to the reform of the tax system, essential for long-term expansion of the economy.

Some of the tax reduction proposals have been characterized as quickies. This type would grant temporary reduction for a month or more, then go back to present rates. Advocates of quickie plans argue that the extra money left to the taxpayer will pour into the economy and start us on the upgrade. To accept this proposal, we would first have to believe that the public would spend their extra money quickly, and on the rights things. Even granting this highly unlikely eventuality, we are still faced with an eventual return to the present tax rates. It is the present overly progressive system of tax rates which many believe have helped in causing the economic situation we are presently attempting to remedy.

We come then to modification of the rate structure and how best to improve it. We can agree, I trust, that our principal objectives should be the equitable distribution of the tax burden and providing a tax climate which will encourage economic expansion. On March 13, I introduced a bill entitled the "Tax Reduction Incentives Act of 1958." Enactment of this bill would updoubtedly have some stimulating effect on the present state of the economy. This feature, however, is far outweighed by the more permanent and far-reaching objectives of the plan.

As a primary consideration, I proposed the reduction of all personal income taxes by 10 percent. In the case of the low-income taxpayer, the need for tax reduction requires little justification. This is a pure and simple case of hardship which few deny. However, when we come to the middle- and high-income brackets, the enthusiasm of some for tax reduction tends to diminish. Setting aside considerations of equity for the moment, it is in these brackets that tax reduction can have extremely significant long-term effects. If the rates in these brackets are designed to encourage the taking of risks on new ventures, the new jobs of the future will materialize.

The maintenance of present jobs and the creation of new jobs require money. As to how much, the average capital investment for each production worker in America rose to $16,000 in 1957. This amount has been steadily increasing over the years and is approaching double the investment that was necessary but 10 years ago. With this in mind, the question of securing the risk capital of the future assumes great importance.

Historically, a vast amount of risk capital has been obtained from persons in the higher income brackets. The large element of chance involved operates to exclude those who would be destroyed financially by the failure of a new venture. Consequently we must get this part of the capital necessary for business from the people who now pay it in taxes.

The current recession has tended to focus popular attention on the growing shortage of risk capital—a problem which has deeply concerned many economists and businessmen for several years. Human nature being what it is, it should not surprise us that investors have become increasingly reluctant to finance less than a pretty sure thing while taxes prevent a return commensurate with the risk. If we truly wish to encourage personal incentive in the investment field, we must alter our tax rates. We must alter them so that a successful risk investment is capable of providing a clear financial advantage over the tried-and-true investment.

An additional means of stimulating economic expansion is to grant some relief in the area of the corporation tax. It is regrettable that a segment of public opinion still considers this tax as having little effect on the average individual. Actually it affects all of us very directly in what we pay for products and the number of job opportunities from which the labor force may choose. It is a hidden tax we pay in everything we buy.

It is axiomatic that profits attract outside capital. With more than half of most corporations' profits going for Federal taxes alone, we must reduce the rate or suffer a prolonged period of economic contraction. Although business is investing billions in plant and equipment each year, recently only about 10 percent can be related to net expansion of fixed assets. This is in contrast to expansions of 30 percent in the years immediately following World War II.

A reasonable reduction in the corporate rate will provide the much needed incentive to corporations and investors to finance the development and marketing of the new products and services necessary for an expanding economy.

Equitable tax reduction, for both individuals and business, promises far better results than a series of hastily conceived pump-priming projects which have little basis in true need. This approach failed before and there is no reason to expect superior results today. Our need is not simply for more dollars. Our need is to remove the obstacles to long-term expansion in our economy. To accomplish this we must restore those financial incentives necessary to an economic environment which fosters the willingness to take chances.

It is not our custom to place much credence in the many self-serving statements emanating from the Kremlin. On those rare occasions, however, when a statement appears to be borne out in some measure by fact, we must take notice. Premier Khrushchev has declared economic war on the United States, to use his unfortunate expression, and there is abundant evidence that this is the case.

Our preoccupation with the Soviet threat of arms has delayed our full realization of that nation's economic power. While Khrushchev's boast that his country will soon assume world economic leadership conveniently overlooks certain basic facts and figures, there is no merit in denying that Russia has come a long way in a comparatively short time. This national record of accomplishment, as with all nations, is largely the result of superior accomplishment by certain individuals.

While it might please us to think that all Russians lead a cheerless existence as vassals of the all-powerful state, we know this is not the case. Although outwardly professing strict adherence to the doctrines of Marxist socialism, the Russian rulers have succeeded in stimulating their scientific, industrial, military and intellectual talent by offering rich economic rewards.

It would seem that we have something to learn here, or more correctly, something to remember. While we have proclaimed to the world the virtues of the free enterprise system, many of our internal actions have operated to reduce its effectiveness. We have permitted a system of taxation to develop which imposes its severest penalties on the talented and creative.

It must, then, be the classic irony of our times when we must be reminded by the Communists of something we practically invented. Perhaps we will be reminded of Lincoln's words on providing economic incentives for outstanding achievement. Abraham Lincoln knew human nature well enough to see the need to add "the fuel of interest to the fire of genius." We have strayed far from this course, but a surpassing virtue of our system is that we can alter direction if we so will.

There can be few accomplishments this Congress might claim which hold greater promise for the continued economic supremacy of our country than the strengthening of personal economic incentives. There are equally few things, which if ignored, carry with them such potential for disaster.

George Harris Collingwood—Public Servant

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 15, 1958

Mr. PORTER. Mr. Speaker, the other day many of us here in this House and thousands in the field of forestry and conservation in which he had made his career, were appalled by the sudden and unexpected death of George Harris Collingwood, the Chief of the Natural Resources Section of the Legislative Reference Service in the Library of Congress. It is a pardonable tendency and an altogether fitting custom to speak only good and put the best possible aspect on

the life and character of the dead. I feel that in the case of George Harris Collingwood one can be severely austere in words of eulogy and yet emerge with a sublime epitaph.

There are achievements that can be measured in the life of Harris Collingwood such as his printed works, his original procedures in teaching forestry, and even more concretely the mass of his reports and analyses that helped inform and guide the Congress on legislation in the area of farm forestry and conservation. But these are statistical paragraphs in a coldly abbreviated biography. Collingwood's singular contribution was no particular detail of his accomplishment, however worthy. It was rather in the quality of his personality—gentle, firm, utterly selfless—which lent to everything he did a kind of purposeful goodness that made life happier and easier for those around him.

Yet in his 67 years the sheer substantive quantity and quality of his work was immense.

If I inject a personal note it is only because this illustrates what I mean by the quality of his personality giving so much extra value to his worth as a scholar, an administrator, a teacher, and a very special mentor, for example, to those of us here in the House who felt the need for calling upon his knowledge, his experience, and his technical guidance. As a freshman Member of Congress, I was buttressed and defended many times by his great depth of knowledge in the fields which, because of my district—the fourth—in Oregon, meant the most to me. Here, so to speak, through this Chief of the Natural Resources Section of the Legislative Reference Service, I had at my elbow instantly, or within reach of my telephone, or by report and special analyses prepared for me, the lessons I needed to do best my job as the representative of my district.

The technical data, the information, the summary of a complicated conservation problem, that I got from Collingwood I knew was the last word on the subject told in depth with clarity and simplicity. When I speak of the quality of his personality I mean too the character, the integrity, and the diligence he invariably applied to any question in hand. Here from Collingwood was something I knew I could go out on the floor of the House with and use to corroborate my point of view. Or the information I had from him might have the effect of disabusing me of an impression his expert research showed was inaccurate.

Collingwood's formal education and background was an index to the depth of his scholarship. He was born in Fayetteville, Ark. His schools included: Michigan State College and Muenchener Universitaet. Before he returned to the United States he had studied forest practices in Germany, Switzerland, and Austria. For 2 years he was a ranger in the Apache National Forest in Arizona. He was a professor of forestry in Cornell University in 1916. In 1923 he was an extension forester in the Agriculture Department. Always his unique training and background had a continuing influence on the character of forestry education in the United States because he invested these with the fire and dedication of his personality.

What made him, I would say, especially outstanding was his love of his subject.

From this love, in the field he had chosen for his career, stemmed a love of people which was genuine and all-inclusive. This made him an ideal teacher, mentor and lecturer, a schoolmaster, in his way, who was also a friend, philosopher and guide. People loved him so that it was he who was quite apt to be elected to be the chairman or toastmaster or head of a committee to make an award, or offer a tribute to a fellow worker, or express an encomium on some associate's long service in the Library of Congress. Not aptitude alone but respect and affection as well played some part, I am told, in his rise to head the forest conservation division of the National Lumber Manufacturers Association from 1940 to 1946. He was the author of the association's industry program. Among other task force jobs he served as an agriculture expert on the Hoover Commission for executive department reorganization, and was forestry consultant to the United States Chamber of Commerce.

The Government of the United States owes a profound debt to Collingwood and people like him in the Government service. It is on the occasion of the death of a public servant like Collingwood that I think it is highly appropriate to extol the vast amount of top-level work that people like him perform for us, the Congress, and for the people of the United States. I think it is not only fitting but a duty for us to stand up, as I am doing now in this place to testify to this extraordinary dedication and fruitful productivity of the people who work for the Government. It makes immeasurably for a better United States in the age when this country is called upon to take the leadership of the free world. And it is precisely correct for these words to be spoken in the House because we who allocate the expenditure of the people's money are the people's agents, and the people are the true employers of brilliant, competent, and effective Government employees like the man in whose honor and memory I speak. Whatever pay Collingwood got could hardly be said to constitute any kind of balance for the achievement he gave in return.

Government servants like Collingwood—anonymous, without self-interest, ambitious for their tasks and not for themselves—are the Nation's most outstanding operational economy and one of the mightiest forces for the progress and strengthening of free government.

In the epitaph of George Harris Collingwood there must remain a very special place for his role as a hubsand and father. For something of the glory that came to his wife, who survives him, Mrs. Jean Cummings Collingwood, must redound to him. Mrs. Collingwood was named District of Columbia "Mother of the Year" by the local American Mothers Committee in 1955. It is significant of this magnificent family that all of the Collingwood sons and daughters are engaged in some form of service for the betterment of mankind, ranging all the way from helping retarded children to advancing public education. One of their sons is the distinguished Charles Collingwood, CBS television and radio news analyst, now in London. Another is the Reverend G. Harris Collingwood, Jr., of Junction City, Kans. The other children and grandchildren are a credit to American home life, and the high standard of upbringing and education often overlooked in the flood of news about the more spectacular aspects of the American family.

George Harris Collingwood, as a citizen, as a man dedicated to his career, as a father, and as a friend of his fellowman, deserves the highest commendation from his generation.

Dispel the Gloom

EXTENSION OF REMARKS
OF
HON. PATRICK J. HILLINGS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1958

Mr. HILLINGS. Mr. Speaker, it would be disastrous if we permitted continuous pessimistic talk to bring about a depression in the United States.

This would be a case of talking our way into something from which no amount of talk would extricate us.

I believe that positive action, positive talk will lead to a rapid recovery in this country. If the negative is emphasized, a negative situation will result.

In view of the current economic situation, I am convinced that our talk should be directed toward what our dynamic economy can do to take up the present slack with a view to promoting greater expansion of this economy so that no one willing to work will be out of work.

I fully believe that our economic frontiers are limited only by our own ideas, our own initiative, and our own energy.

I was, therefore, very interested in a recent speech sent to me by a friend wherein George Hammond, president of Carl Byoir & Associates, told an executive group of his public relations organization that private enterprise can do much to help in righting the economy through positive talk and positive action.

This is the approach that I subscribe to.

Mr. Hammond made the point in his speech that Ralph Cordiner, president of General Electric, is bothered considerably because "when we lay off 300 people, people seem to forget that we still have 275,000 employed."

Mr. Hammond's antidote is to let people know what is on the good side of the economic ledger, which far outweighs the other side, as a major step in rebuilding our confidence in the economy.

This is Mr. Hammond's prediction: "In 1958, the people of our country will forget there is a recession—and there

soon won't be any because they'll have the inclination to buy again—if they have an opportunity to read the affirmative news that exists all around us."

That is a sound prediction, and one which is based on confidence in the American people.

Medical Programs Without Waste

EXTENSION OF REMARKS
OF
HON. CLIFFORD P. CASE
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES

Tuesday, April 15, 1958

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, an outstanding address on the subject Medical Programs Without Waste, delivered in Washington recently by my distinguished colleague, the senior Senator from New Jersey [Mr. SMITH].

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

MEDICAL PROGRAMS WITHOUT WASTE

(By Senator H. ALEXANDER SMITH, of New Jersey)

Health is one of our Nation's most precious possessions. Without it, our startling achievements in the laboratory and on the production line, in space research and missilry, would hardly have been possible.

Concerned as it is with safeguarding our Nation from attack and subversion, it seems only logical that the Federal Government would also take high interest and a large measure of responsibility for the Nation's health.

Most of us realize, of course, that the greatest killers in history have not been bombs and bullets and other instruments of war, but disease and pestilence. Gradually, as the world's expanding population testifies, we are gaining the upper hand, but many forms of deadly disease still remain unconquered. We still have a tremendous job ahead.

Government's role in this battle is a large one. Its efforts are directed primarily—and rightly so—toward research and experimentation in the never-ending quest for new and powerful antibiotics and other medical weapons in mankind's longest and most costly conflict.

In fairly recent years, however, the Federal Government has widened its activities and field of responsibility. Not only are Federal dollars going into basic research, but billions more are also spent to provide specific medical service to some 30 million citizens, or about 1 in every 6 in our population.

Some $4 billion to $5 billion is expended yearly in the Government's vast medical program. That equals about 7 percent of our total Federal budget. It is almost as much as we expect to spend in fiscal 1959 in our accelerated missile development and earth-satellite program.

So, by any measurement, the Government's health activities stack up as a tremendous undertaking.

First, let us examine these activities in greater detail. We should know, to begin with, just who is and who is not directly benefiting from the program.

Among the 30 million Americans to whom full or partial medical care at Federal expense is offered are:

Four million persons, mostly military personnel, who are entitled to complete medical care.

Three and a half million veterans, disabled in active service and in the line of duty, who are eligible for complete medical care.

Twenty million persons, including 17.5 million veterans with no service-connected disabilities, who are entitled to medical care on a facilities-available basis. Others in this group are the dependents of military personnel, and retired military personnel.

Some 2.5 million Federal employees who are eligible for limited on-the-job health services for occupational injuries and disease.

These figures speak for themselves. When the Government assumes responsibility, even in a limited way, for the medical care of 30 million people, it has staked out for itself a considerable stake in national health activities.

As in so many cases of burgeoning Federal operations, with more and more control slipping out of the hands of private citizens and settling in Washington, the expansion of Government medical services evolved gradually and a hodgepodge structure of bureaucracy has come into being over the years.

The Hoover Commission and its medical services task force, once they started surveying facilities, found themselves visiting no less than 26 different Federal departments and agencies. And within these agencies, the Commission pinpointed 66 administrative units engaged in health activities.

So it came as no surprise to the Commission's experts to learn that little coordination existed, that duplication and overlap was the rule and not the exception, and that the medical planners forged ahead with projects for new hospitals and other facilities with little regard for, or knowledge of, what other agencies were doing.

This sort of go-it-alone policy extended right into the Defense Department's different branches. The Army, Navy, and Air Force operated their own medical programs, with only the feeblest efforts at cross servicing in the interest of economy and efficiency.

As a result, the Hoover Commission estimated that on an average day in 1955, for example, 63 out of every 100 beds in military hospitals were unoccupied.

Specifically, the Commission estimated the average daily number of military hospital patients at 34,000 in 1955. Some 93,000 beds were available, along with nearly 5,000 physicians, 2,000 dentists, 7,500 graduate nurses, and 71,000 technicians and other medical personnel for a grand total of 85,000 persons.

As you can see, on the basis of these figures each patient in a military hospital in 1955 had two persons available to tend to his needs—possibly to keep him from wasting away in loneliness in wards that were two-thirds empty.

It is also interesting to note that the average daily patient load in military hospitals, in the period 1952 to 1955, declined from 57,000 to 34,000, or 40 percent. During the very same period, expenditures for construction of new military hospitals climbed from less than $12 million in 1952 to $62 million in 1955, or more than 400 percent.

And these data refer only to hospital construction in the United States. The Defense Establishment was also busy building hospitals in other parts of the world. This required less than $18 million in 1952—and $37 million in 1955.

Taxpayers will take sad note of the fact that this situation existed at a time when the need for new civilian hospital facilities was widespread across America, and at a time when many States, counties, and communities were engaged in a desperate search for hospital building funds.

Equally disturbing is the fact that trained medical people, always in short supply to care for our fast-growing population, were pressed into military service to staff half-empty hospitals and clinics.

Many of you will recall the work of the first Hoover Commission, more than 10 years ago. That Commission spoke out vigorously against excessive hospital construction with Federal funds. By the time the second Commission was organized, the problem was aggravated and even more alarming evidence of waste and extravagance was uncovered.

Of course, we often encounter the argument that all these military hospitals are necessary in case of emergency. We are told that 55,000 or 60,000 unused beds does not represent $500 million wasted, but $500 million prudently expended against the eventuality of a hydrogen holocaust and its terrible cost in dead and wounded.

Now all of us want our Nation to be strong and stay strong. We want to be prepared if war comes, and with 60 cents or more out of every Federal dollar going into national defense and security preparation, there is little reason why we shouldn't be prepared if what we hope never happens does happen.

But wouldn't it have been wiser to have taken that $500 million, which represents only one-half of the average construction cost of the unused beds in military hospitals, and invested it in new civilian hospitals and clinics? Wouldn't these facilities be equally available for war emergency, while giving us a lot more mileage out of our health dollars in peacetime?

By coincidence, Americans spent an estimated $505 million for private hospital construction in 1957, about three-fifths of which came in the form of voluntary contributions.

In other words, the cost of constructing the unused beds in military hospitals, based on 1955 data supplied by the Hoover Commission, equals the current total annual outlay for the Nation's private hospital facilities.

Another authoritative witness to the high rate of Federal spending for hospitals, weighed against the sums available for this purpose outside of government, is the Health Information Foundation, a private organization in New York City which conducts extensive continuing research in this field.

In its latest publication the foundation disclosed that between 1928 and 1956, the number of beds in private proprietary hospitals (as opposed to private nonprofit hospitals) declined 50 percent and the assets per bed in these proprietary hospitals now average only about $4,300, a level half of that for all hospitals.

In contrast the foundation points out, assets in Federal hospitals, including military, increased fivefold in the same period. The number of beds in Federal hospitals tripled, and the assets per bed doubled. In 1956 each bed in Federal hospitals represented over $10,000 in assets, or some 25 percent above the national average.

Thus far I have stressed the waste of dollars and manpower in the Defense Department's varied health programs. Don't get the impression that this waste is confined to the Defense Department. It was found by the Hoover Commission throughout the range of Federal health activities.

Of course, the situation varies from agency to agency, for some make better use of their health budget than others. Nevertheless, the Hoover Commission has clearly shown that the shortcomings in our present medical programs are serious enough to warrant our immediate attention.

The question, then, boils down to this: What is the most effective means for corrective action? Here, too, the Hoover Commission has shown the way with its proposal to establish a Federal Advisory Council of Health.

At the request of the Commission, I introduced legislation to establish the Council at the last session of Congress. The bill, as I am sure you know, would set up a strong council of both laymen and members of the

medical profession, whose function would be to continuously evaluate and make recommendations on Federal policies and programs relating to medical care and national health.

It may be that there are other ways in which the purpose of this bill may be accomplished. I should point out that the Secretary of Health, Education, and Welfare is the principal adviser to the President on health programs, and certainly nothing should be done to limit his responsibilities in this area. It has been argued that, rather than set up a new agency, an interdepartmental committee could be established to correlate the health functions of the different departments.

The simple fact that the bill calls for the creation of a new Federal body is enough to raise storm signals on Capitol Hill. There are many Members of Congress—and, frankly, I am one of them—who believe that we already have too many boards, offices, commissions, and councils cluttering up our administrative structure.

Nevertheless, I was honored to sponsor the bill because it deserves a hearing. It properly focuses attention on a very real need, and the Hoover Commission has my profound gratitude for bringing this need to public attention. The question, then, is not whether the bill itself will pass, but whether its objective can be achieved. The objective is simply this: to bring about more central planning and coordination on health matters at the upper level of the executive branch.

It is my hope that you will help generate an active public interest in this objective. That is my appeal to you who have gathered here to help us face the problems which confront our Government.

After all, the inadequacies which the Hoover Commission exposed in our national health programs are too serious to be further ignored in apathy and inertia. In this high-powered, jet-propelled space age, the good health of our Nation depends more than ever before upon top-flight planning, careful coordination of resources, and diligent policy guidance.

No one knows yet what new diseases, what unheard-of forms of bacteria, what new challenges to medical science await us in the mysterious reaches of outer space. When the time comes, we must be ready to meet these problems and overcome them.

Meanwhile, there is still a lot to be done here, not only at home, but in the many lands around the globe. In our relatively brief history, America's men and women of medicine have contributed richly to the world's store of health knowledge. The Jonas Salks, Walter Reeds, John Enders, and uncounted other heroes of health have earned the lasting tribute of grateful people everywhere.

The American tradition in medicine and health is a matter of national pride. With your help, we can make sure that the Federal Government maintains and strengthens that tradition to meet the demands of the future.

Robert T. Hartmann Honored for Excellent Reporting

EXTENSION OF REMARKS
OF
HON. PATRICK J. HILLINGS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 15, 1958

Mr. HILLINGS. Mr. Speaker, I would not hazard a guess as to the amount of copy filed by the Washington press corps each day, but the true figure would astound all of us.

Seldom do we stop to judge the quality of Washington reporting as we read the thousands of words moved daily by capital correspondents. The reporting actually is excellent considering the tremendous pressures under which the press corps must operate in the biggest news-producing city in the world.

Probably the most competent authority for judging the excellence of news reporting is Sigma Delta Chi, national journalism fraternity.

Recently Sigma Delta Chi announced its awards for excellence in the numerous categories of the information and communications media of the United States.

Selected for excellence for Washington reporting was Robert T. Hartmann, chief of the Los Angeles Times Bureau in the Capital.

I know Mr. Hartmann personally and I know of the tireless effort he puts into digging out the news. This energy, combined with exceeding talent, has earned Mr. Hartmann this well-deserved honor.

I congratulate Sigma Delta Chi and Mr. Hartmann for the high standards they insist upon in reporting the news to the American people.

The Case for Alaskan Statehood Now

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 15, 1958

Mr. PORTER. Mr. Speaker, Alaska has been knocking at the door of statehood since 1916, when the first bill for Alaskan statehood was introduced. In the 42 years since, similar bills have been proposed periodically; but it was not until 1950 that substantive action was taken on any of these measures. In that year the House passed an enabling bill, but it died in the Senate.

Four years later a combined Alaskan-Hawaiian statehood proposal was approved by the Senate, but this time the House failed to concur. A year later, another dual measure was recommitted by the House, and statehood was rendered moribund once more. Currently, separate bills for Alaskan and Hawaiian statehood—S. 49 and S. 50, respectively—are on the Senate Calendar; in the House, an Alaskan bill—H. R. 7999—was reported favorably last June, and is now on the House Calendar.

IT IS TIME TO ACT

It is high time that Congress opened the door and admitted our great northwestern Territory to the sisterhood of States. It would seem that Congress, as it has so often in the past, has not caught up with public opinion. Let us look back over the years at the Gallup Poll findings relative to this issue. Since 1946 the Gallup investigators have posed this question to the American people: Would you favor or oppose having Alaska admitted as a State in the Union?

The response was as follows:

[Percentage]

	Favor	Oppose	No opinion
1946	64	12	24
1950	81	8	11
1953	78	10	12
1955	82	9	9
1956	74	10	16
1957	71	8	21
1958 (March)	73	6	21

In other words, as far back as 1946 the margin in favor of Alaskan statehood was more than 5 to 1; and today it is more than 12 to 1. These ratios must be somewhat impressive, at least, even to those who scoff at the validity of opinion polls. And remember, Dr. Gallup was off by fewer than a handful of percentage points in that celebrated election of 1948.

ALASKA DESERVES STATEHOOD

Other reasons, too, demand early action. First, Alaska, as one of our two incorporated Territories, has long been promised statehood, by implication at the very least; second, it deserves such status; and third, the Nation as a whole and the Pacific Northwest in particular would profit thereby, as would Alaska itself.

Of the 31 incorporated Territories in our history, all, except Alaska and Hawaii, have graduated to statehood. Constitutionally, Alaska is no different from its more fortunate predecessors. The Federal courts repeatedly have said that incorporation leads to statehood. In 1883 an incorporated territory was defined in Ex Parte Morgan as an "inchoate [or embryonic] State." In Balzac against People of Porto Rico, among many similar cases, Supreme Court Justices asserted, in 1922, that "incorporation has always been a step, and an important one, leading to statehood." And although the organic act of 1912, which served to confirm the incorporation of 1868 and made Alaska a full-blown Territory, did not explicitly promise statehood, precedent and judicial dicta alike have maintained that an incorporated Territory is destined for statehood after a reasonable period of tutelage. It would seem that 90 years constitutes a long enough apprenticeship.

EXPANSION FOLLOWS STATEHOOD

In no instance has the granting of statehood to an incorporated Territory proved ill-advised. In every case the Territory experienced a marked expansion in both population and industrial development following its admission into the Union. More importantly, the citizens of each new State became their own masters.

As a rule, the principal qualifications demanded of a Territory aspiring to statehood have been these: First, the sympathy of its people for the traditional ideals of American Government; second, the expressed wish of the electorate for statehood; and third, sufficient resources and population to meet the cost of statehood. It is my considered opinion that Alaska has passed these tests with distinction.

As for the Americanization of Alaska, that Territory from the beginning has been populated to a large extent by citizens from the States, particularly from our great Northwest; the interests, the culture, the politics of Alaskans are fundamentally the same as those held by statesiders. And as Americans, they have unmistakably signified their desire for fullfledged citizenship. In 1946 they voted for statehood by a 3 to 2 margin; 10 years later the ratio was 2½ to 1. And in March 1957 both houses of the Alaskan legislature passed unanimously a resolution urging Congress to grant immediate statehood.

STOREHOUSE OF RESOURCES

Heavily endowed with natural resources and boasting an incredibly rapid rise in population, Alaska laughs at the third of the traditional requirements for statehood. Our great northern Territory constitutes this Nation's most magnificent storehouse of virtually untapped-raw materials, from scarce minerals to petroleum to products of forest and sea. Since 1867, when Alaska was purchased from Russia, more than a billion dollars have been realized from its mines. Among known natural resources are gold, silver, coal, iron ore, copper, lead, zinc, platinum metals, manganese, cobalt, nickel, titanium, cadmium, petroleum, natural gas, and construction materials, as well as such strategic minerals as tin, antimony, mercury, and chromite.

The most important industry in Alaska, nevertheless, is still that of fisheries. Since 1867 the value of fisheries products shipped to the United States has totaled more than $2 billion. Unfortunately, the industry is controlled by absentee financial interests and only a tiny portion of the profits remains in Alaska. The monopolists have been able to maintain their tight control primarily through favors bestowed by the Federal bureaucracy, not the least of which is the latter's sanctioning of the use of fish traps. It is interesting to note that such traps were outlawed long ago by State authority, in Washington and Oregon. With statehood, the small, resident operator would be able to make his voice heard, with a consequent outlawing of the ruinous fish traps and the ultimate dissolution of the fisheries monopoly.

A FEDERAL RESERVE

An even more onerous handicap borne by Alaskans is the incubus of national ownership of the land. The Federal Government now owns approximately 98 percent of the total land area of Alaska, which embraces some 365 million acres. H. R. 7999 provides for a grant to the proposed new State of 182,800,000 acres. Such an award would make it possible for Alaska to revolutionize the development of its unrivaled natural resources. Under the heavy hand of Washington bureaucrats, who have tended to regard Alaska's magnificent forests as permanently virginal, the economic progress of the Territory has been retarded both unnecessarily and tragically.

As for population advancement, the Alaskan story is a phenomenal one. From 1950 to 1956 the civilian population increased from 108,000 to 161,000, a rise of 48.6 percent. According to Gen. Nathan Twining, the military personnel constitute an additional figure of between 45,000 and 50,000. In any case, Alaska has a larger population than one-third of the States had at the time of their admission, whether the military figures are included or not.

WOULD STRENGTHEN DEFENSE

Now, what about the advantages to the Nation as a whole should Alaska be admitted? First, statehood would strengthen in considerable measure our defense posture. In April 1950 the Secretary of Defense strongly endorsed statehood for both Alaska and Hawaii:

It is obvious that the more stable a local government can be, the more successful would be the control and defense of the area in case of sudden attack. There can be no question but that in the event of an attack any State would be immensely aided in the initial stages of the emergency by the effective use of the State and local instrumentalities of law and order. By the same token it would seem to me that, as persons in a position to assist the Federal garrisons which might exist in Hawaii or Alaska, the locally elected Governors, sheriffs, and the locally selected constabulary and civil defense units all would be of tremendous value in cases of sudden peril. Therefore, my answer to your question is that statehood for Alaska and Hawaii would undoubtedly give a considerable added measure of strength to the overall defense of both areas in event of emergency.

And we all remember the warning of the late Billy Mitchell, who asserted that: "He who holds Alaska holds the world." We also are aware that Russian soil is separated from our own by fewer than 60 miles of water.

A PSYCHOLOGICAL BOOST

From the standpoint of military tactics, of course, statehood would not immediately affect the military situation in Alaska. Geography and climate, after all, would remain unchanged; and the Armed Forces would fight allout to defend Alaska without thought as to its political status. But the people of Alaska would be given an immeasurable boost psychologically, and would be inspired to work and fight over and beyond the call of duty.

A second major national benefit resulting from the economic development promised by statehood would be a greatly widened diffusion of Alaskan products—many of which are in short supply in the States and some of which are strategically important—to both military and commercial outlets. As for the Pacific Northwest, Seattle, and other Pacific commercial centers have been the gateways to Alaska. Seattle remains the great distribution center for Alaskan salmon; and this mart, along with Portland and others, would enjoy a rise in business well-being commensurate to no small degree with Alaskan prosperity.

EIGHT ADVANTAGES FOR ALASKANS

As for the advantages of statehood to the citizens of Alaska, I can think of at least eight. First, the people would have the right to full voting representation in the national Congress. Second, they would have the right to vote for the President and Vice President of the United States. Third, they would have the right to choose their own governor and to have the functions of government administered by their elected officials instead of by Federal bureaucrats. Fourth, they would have the right to determine the extent of the authority of their own legislatures. Fifth, they would have the right to have their judiciary selected under local, rather than Federal, authority. Sixth, they would have the right to an equal share on a per capita basis in Federal grants for education, health, highways, and other public benefits. Seventh, they would have the right to a voice in determining the amount and kinds of Federal taxes they must pay. And eighth, they would have a choice in the consideration of any proposed amendment to the Federal Constitution.

As for the antistatehood arguments, I submit that they are not impressive. One of the most frequently enunciated is that Alaska and Hawaii are noncontiguous to any of the present States. It is an old argument; it was bandied about in 1850 when California, separated by some 1,500 miles of wild land from the nearest State, was applying for admission. Later, when the issue of statehood for Oregon was raised, the same old argument was dusted off and used again. Let us listen to the refutation of Senator William H. Seward, of New York:

In coming to this conclusion (to support the admission of Oregon as a State), I am determined by the fact, that, geographically and politically, the region of country which is occupied by the present Territory of Oregon is indispensable to the completion and rounding off of this Republic. Every man sees it, and every man knows it. * * * There is no Member of the Senate or of the House of Representatives, and, probably, no man in the United States who would be willing to see it lopped off, fall into the Pacific or into the possession of Russia or under the control of any other power; but every man, woman, and child knows that it is just as essential to the completion of this Republic as is the State of New York, or as is the State of Louisiana, on the Mississippi. It cost us too much to get it, we have nursed and cherished it too long, not to know and feel that it is an essential part.

Well, then, she is to be admitted at some time, and inasmuch as she is to be admitted at all events, and is to be admitted at some time, it is only a question of time whether you will admit her today, or admit her 6 months hence, or admit her a year or 7 years hence. What objection is there to her being admitted now? You say she has not 100,000 people. What of that? She will have 100,000 people in a very short time.

* * * * *

For one, sir, I think that the sooner a Territory emerges from its provincial condition the better; the sooner the people are left to manage their own affairs, and are admitted to participation in the responsibilities of this Government, the stronger the more vigorous the States which those people form will be.

Another major argument in opposition has been that the recent rise in population stems primarily from a marked increase in military personnel. Assuming that this be true, it must be acknowledged, nevertheless, that the military in Alaska are there to stay for some time: no man can foresee the lifting of the cold war. The military, moreover, serve not only to defend Alaska and the Nation;

they also constitute a future as well as present market for Alaska's industries and services. Like other population groups, they help to maintain Alaska's economy.

As for the charge that Alaska's representation in the Senate would be grossly disproportionate to its population—in comparison with such States as New York and California—so what? It would seem that this question was answered quite effectively back in 1787.

WHAT IS COMMONWEALTH?

Let us now examine the glorious goal advocated by the happiness boys—the commonwealth advocates. There's just one thing they have forgotten—the imposition of such a plan would be unconstitutional.

Alaska and Hawaii are incorporated Territories, and as such have been adjudged to be incipient States. As States in embryo, all provisions of the Constitution, the formal as well as the fundamental, apply. Only the fundamental parts of the Constitution, on the other hand, apply to unincorporated territories.

Puerto Rico is a commonwealth, whatever that means. It is quite likely that the Federal judiciary will hold that Puerto Rico is still, constitutionally, an unincorporated territory, and that commonwealth status necessarily connotes unincorporation. If such prove the case, it would seem that Alaska and Hawaii could not legally, constitutionally, assume such inferior status.

A POLITICAL PHENOMENON

In *Downes* v. *Bidwell* (182 U. S. 271, 1901), the Supreme Court declared that "where the Constitution has been once formally extended [in all its parts, both fundamental and formal] by Congress to Territories neither Congress nor the Territorial legislature can enact laws inconsistent therewith." Mr. Justice Brown, in *Rassmussen* v. *United States* (197 U. S. 536, 1905), stated that "the exten[sion of] the provisions of the Constitution * * * once done, is irrevocable." It follows, then, that those who would remake Alaska and Hawaii in the image of Puerto Rico are either disingenuous or uninformed when they extol the benefits Puerto Ricans derive from Federal tax exemptions. As incorporated Territories, Alaska and Hawaii are subject to section 8 of article I of the Constitution, which provides, in part, that "all duties, imposts, and excises shall be uniform throughout the United States." It is doubtful, to say the least, that Congress has the power, under the Constitution, to exempt the citizens of Alaska and Hawaii from the applicability of this uniformity clause.

It should be remembered that Congress did not see fit to make Puerto Rico even an unincorporated Territory until 1917. In all probability the island is still unincorporated, despite its new title of Commonwealth.

This new phenomenon in political science leaves the Alaskans completely cold. The endorsements and the arguments for Alaskan statehood are overwhelming.

The time to act is now.

We Need an Across-the-Board Price Reduction

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES

Tuesday, April 15, 1958

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I delivered before the chamber of commerce at Milan, Tenn. In this speech I urged a straight, across-the-board price cut on all levels—manufacturing, wholesaling, and retailing as the best boost to the country's economy.

It seems to me that there is some point at which we must call a halt to continuing, month to month, and year by year, rising prices and costs. It also appears to me that prices have reached a point at which the consumer has balked—and balked hard. I believe that following such a voluntary price reduction, we would see a prompt revival of business.

It would hold none of the danger of a tax cut and if business were to be sufficiently stimulated, increased production would more than make up for the reduction in prices and there would be no marked reduction in business profits.

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

SPEECH DELIVERED BY SENATOR ESTES KEFAUVER, DEMOCRAT, OF TENNESSEE, BEFORE THE ANNUAL CHAMBER OF COMMERCE BANQUET, APRIL 12, 1958, MILAN, TENN.

Mr. Chairman, Mayor Webb, distinguished guests, and members of the Milan Chamber of Commerce, it is a great pleasure to have this opportunity to visit in the fine and vigorous city of Milan and to speak here at your annual chamber of commerce banquet.

I have had the chance on many occasions to learn of the activities of the Milan Chamber of Commerce. It is a very valuable institution in this town. I am glad to see by the size of this audience that it has such large support in the community and in the surrounding area.

I know of the efforts which have been made to more fully utilize this great arsenal. I want to salute the Harvey Aluminum Co. for what it is doing in cooperation with the chamber of commerce to utilize the facilities here. And I want you to know that I am continuing my endeavors to keep this arsenal in the mind of the Department of Defense.

I am not going to make a political speech tonight. But I want to tell you that what I have to say is going to impinge on politics. I intend to say something about the current recession and what is being done about it—and what is not being done about it. There is no way I can do this without mentioning the different attitudes on the part of the Republicans and the Democrats. But I hope you will regard what I say as factual rather than partisan.

The first thing we ought to know about this recession is that it was manmade. It was deliberately brought about. It was and is the product of a mistaken tight money policy on the part of the United States Treasury and the Federal Reserve Board.

The tight money policy was aimed at inflation. Its intention was to curb industrial expansion and consumption by ordinary consumers. It was believed that the resulting slack in orders for goods and services would bring down prices.

It was a mistaken policy. It did not bring down prices. The cost of living has continued to mount month by month. The cost of living is now about 7 percent greater than it was at this time last year—and it was too high then.

The tight money policy resulted in a scarcity of money and higher interest rates. You will remember that Christmas a year ago merchants were hard put to obtain seasonal loans to help carry their Christmas merchandise. Banks just did not have the money to lend.

The price of mortgage money went up—if you could find a place to borrow money in the first place. Housing construction went down.

The price of everything bought on time went up. And as prices rose the demands of labor for cost-of-living increases also rose.

I say that this recession was manmade. But the length of it and the depth of it was certainly unintentional. The people at the White House, at the Treasury, and at the Federal Reserve System did not intend that the situation get out of hand as it has. They did not intend for unemployment to mount as high as it has. But they made a further mistake in not recognizing the economic forces that they had unleashed in time. Even to this very hour they are divided as to what to do about it.

Just last fall, when the signs of the recession were already clearly becoming evident, President Eisenhower warned the American people against spending.

"I am not advocating any buyers' strike," he said, "but I do know this, we should buy selectively and carefully. * * * We should not be spending recklessly and adding fuel to this flame."

That is what he said last fall, about a week before Detroit put its 1958 models on the market. And I may say that his words sent a chill up and down the spines of the automobile manufacturers.

But by March 5, he sang a different song. Unemployment had gone up to nearly 5 million.

At that time the President said, "I believe, of course, that the upturn in our economy will be the result of millions of citizens making their purchases, having greater confidence."

The President put his finger on the key word—confidence. What we have is a crisis of confidence. It is on confidence that the world of business moves.

Everybody likes to point to the vast amount of savings which Americans have accumulated. They are important. But they are not so important as confidence. Confidence is the basis of credit. It must be present in both buyer and lender. The buyer must have confidence that he will be able to pay his bills, his monthly charges. The lender must have confidence that the buyer's confidence is well-founded.

What is lacking now in both business and the individual that times are going to continue to be good enough in the foreseeable future to warrant using credit.

Most people will not buy a house with payments lasting as long as 20 years or more without faith in the future—their own economic future. On the short term, many buyers hesitate to sign up for 30 or 36 monthly payments on a new automobile without the faith that they will have jobs which will produce the money to pay for the cars.

What we need obviously is a big dose of confidence. It is on the question of what medicine to use and when and where to apply it, that the political parties divide. And the Republicans, of course, are divided among themselves.

We Democrats in the Congress have taken several actions lately to create jobs. It is important to the Nation, as well as to the individuals who are out of work, that those unemployment figures come down—and come down substantially.

We have passed a major housing bill—which the President signed reluctantly—to put new life into the construction industry. It will make mortgage money more readily available, among other things.

We felt that the stimulation of housing was important because it does not take the housing industry long to tool up and get going. Furthermore it touches almost every community in the country.

New houses do more than stimulate the construction industry. They stimulate the home furnishings business, the appliance business, the textile business and many more.

We hope that the effect of this new housing bill will be felt promptly in communities all over the country.

We have also passed a bill stepping up the great Federal-aid highway program. This program provided increased Federal aid for the construction over a 13-year period of a 41,000-mile highway system. It was a landmark in our approach to the highway problem. But it was slow in getting under way. We hope that by the amendments we have now made that this program in Tennessee and other States will move along promptly so that it can provide its own stimulation in orders for road machinery, cement, steel and all the other products which go into highway construction, along with jobs.

We have also been insisting that the various departments of government, especially the Department of Defense to which most of the money goes, step up purchases and contracts with money which had previously been appropriated.

We hope all of these measures will be effective although we understand that alone they may not be enough to turn the tide.

Now the administration has taken the view all along that it was against what it calls pump-priming public works programs in the light of the fact that we are headed for a deficit this year. On the question of a tax cut to stimulate buying it has been unable to make up its mind.

One week Vice President NIXON and Secretary of Labor Mitchell come out for a big tax cut. The next week the White House pulls the rug out from under them.

I want to make it clear that there are things for and against a tax cut now. I want to be frank about it because I know it is a subject of interest and concern to us all.

Let me point out some of the things which are against a tax cut at the present time.

One is that a tax cut of a size sufficient to have any effect on stimulating purchasing would undoubtedly result in a large deficit in the Federal budget. It appears that there is going to be a budget deficit anyway. A tax cut added to that might run the Federal deficit up to as much as $10 billion or more.

This in turn would require another act of Congress either removing or stretching the present limit on the Federal debt.

What this means in essence is that we would have to issue bonds and start paying interest on the tax cut we would be voting ourselves.

There is a second important objection. This is that a tax cut would add fuel to the price inflation which has in no way been lessened by the recession. Many people feel that a tax cut would merely underwrite already high prices and might lead to still higher prices. This is a very serious objection.

On the other hand it is said in behalf of a tax cut that a tax cut is cheaper than a very large public-works program. It is said that a tax cut would have an immediate effect on the economy whereas it would take many months to get a public-works program under way.

It is also pointed out that if the economic situation gets more serious than it is now, that a stimulation of business would be cheaper—since this in itself would create taxable values—than letting our economy slide, and tax collections along with it.

For my part, I do not think a big overall tax cut at this time is advisable. I think there should be some increase in the personal exemption, which would contribute something to the purchasing power of the individual, and an adjustment of small-business taxes, allowing them additional funds which would expand and invigorate business. But, with these exceptions, I think an overall big cut would be unwise under present conditions.

An overall tax cut would be inflationary, and I must say that I agree in good part with Bernard Baruch who testified before Congress last week to the effect that inflation was our greatest danger.

It seems to me that there is some point at which we must call a halt to continuing, month to month, and year by year, rising prices and costs.

It also appears to me that prices have reached a point at which the consumer has balked—and balked hard.

I think what this country and our economy needs is a straight across-the-board price cut on all levels, manufacturing, wholesaling, and retailing.

I think that if we had such a voluntary price reduction across the board we would see a prompt revival of business. It would hold none of the dangers of a tax cut. If business were to be sufficiently stimulated, increased production would more than make up for the reduction in prices and there would be no marked reduction in business profits.

I am glad to see that prices are coming down in some instances. Aluminum has now been reduced and the price reduction in this basic material should be evident soon in many things in which it is employed.

Both Montgomery Ward and Sears, Roebuck & Co. have sent out large spring catalogs with prices in many cases reduced by 10 percent.

These price reductions are helpful. But price cuts should not be limited just to retailers or to isolated industries. We need a general price reduction to stimulate purchasing and create jobs.

We particularly need price reductions in basic commodities and services whose costs enter into so many other things. A price reduction in steel would be the most effective kind of reduction. It makes possible a reduction in automobiles, in heavy construction, in a thousand other articles and trades.

It is ominous in my opinion that the steel industry does not reduce prices at the present time. Steel is operating at little more than 50 percent capacity. The earning records of the industry show that it could well afford a price cut and also that the present price of steel is unnaturally high.

I hope that the steel industry would see that it is not only a matter of economics which is involved, but a matter of patriotism.

Prices of automobiles have been going up and up for 10 years or more. There can be no doubt but that high prices have a lot to do with the fact that, although the industry is operating at little more than 60 percent of capacity, some 900,000 unsold cars are today in the hands of dealers across the Nation.

The industry has expressed the hope that the current excise tax on automobiles be abolished or reduced. It is possible that this may be done. But the American public deserves a price reduction in addition.

This is a time for statesmanship on the part of the big business and industrial leaders, and also on the part of leaders of labor.

I will say for myself that I would feel far more inclined to vote for tax reduction if I knew that business and industry generally were also going to give the consumer an across-the-board price reduction.

A reasonable, voluntary price reduction now would stimulate business and make jobs. Unless we get it, inflation is still going to take its heavy toll, purchasing power will continue to decline, and jobs will decline as well.

American business and industry in this long period of inflation has become accustomed to competing in every way except in prices. It would be a healthy thing if price competition, contributing as it does to a dynamic economy, would come back to America.

The Civil Rights Act

EXTENSION OF REMARKS
OF
HON. HUGH J. ADDONIZIO
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 15, 1958

Mr. ADDONIZIO. Mr. Speaker, I am pleased to support the full appropriation for the Civil Rights Commission for the next fiscal year, and I trust the administration will delay no longer in implementing the provisions of the Civil Rights Act passed at the last session.

The first Civil Rights Act in nearly a century emerged from Congress in a scarred condition, but it did come out alive. Certainly the fact that such legislation was enacted is in itself very encouraging. It proves that in spite of the very great difficulties encountered in the Halls of Congress, progress in this field can be made. The opponents of this civil-rights bill, armed with the weapon of debate, set out to kill it as they had defeated such legislation in the past; but this time, even though wounded and substantially weakened, it did survive. The real importance of this action by Congress is that, for the first time in many years, the Legislature has done more than talk about civil rights, and has taken a substantial step toward assuring the citizens of this great Nation that it is not merely a paper democracy. I hope you do not feel that this is in any sense a final victory. The real battle is ahead. This is, at most, a beginning.

Let us now examine, briefly, this new law on civil rights, keeping in mind, first of all, what it was originally intended to accomplish; and, secondly, what it probably will accomplish. The main purpose of this bill, when first introduced into Congress, was to supply legislation which would enforce the constitutional right of every citizen of the United States to vote regardless of race, color, religion, or national origin. The bill called for the creation of a Civil Rights Commission with power to investigate cases concerning denials of voting privileges to any citizen. Such a Commission has been established. Part 2 of the bill provided for an additional Assistant Attorney General in the Department of Justice

to head a new Division on Civil Rights. This provision was also adopted in the final version of the bill. Part 3 was originally designed to give the Attorney General the right to "seek injunctions in Federal courts in the name of the United States against any person who has engaged or is about to engage in acts which would deprive a citizen of voting rights or other civil rights." Or other civil rights. This very important part of the bill was struck down by the Senate. If this last part of section 3 had not been eliminated, the Attorney General would have had the power to seek an injunction in a Federal district court against any person who would interfere with another's exercise of his civil rights. For example, if a person or a group of persons attempted to halt or interfere with the desegregation of a school, the Attorney General could take action against them. However, part 3, as finally passed, allowed for such action on the part of the Attorney General only in cases of denial of voting privileges.

The original version of the bill also allowed enforcement for its provisions by civil action as well as by criminal action. In other words, the Attorney General could institute action by getting an injunction ordering the violator to cease his interference. Should he persist, he would be subject to arrest and imprisonment for contempt of court. This provision was also modified by Congress. The Senate and House compromised in that, if the fine levied was more than $300 or the imprisonment imposed totaled more than 45 days, the accused could demand and receive a trial by jury. This jury trial compromise is certainly a very debatable issue in the theoretical sense, but in reality it is a partial victory for those who oppose civil-rights legislation. In the first place, if those opponents of civil rights who claim there is no real need for such legislation speak in good faith, they have nothing to fear from the bill whether or not a jury trial is provided. In the second place, it is a well-known fact that such contempt actions as proposed here are generally not subject to jury trial, especially in the States where the most vigorous opposition to this legislation is manifest. In the third place, it is certainly doubtful that any substantial convictions by jury would be obtained against offenders since the people of the area of the Nation where such cases are most likely to arise are, generally speaking, not only bitterly opposed to civil-rights actions, but in some cases have also openly announced their intention to defy such laws as that laid down by the Supreme Court of the United States in regard to school desegregation.

The Civil Rights Act does add one new protection in regard to jury trials. The act provides for uniform qualifications for Federal jurors. The effect of this protection will be to reduce the possibility of discriminatory State regulations being used to keep Negroes off juries trying civil-rights cases.

This has been a sketchy treatment of our new law on civil rights; but I believe it is sufficient to serve my purpose. One can easily see that the final civil-rights bill passed by Congress is substantially different from the original version. During its battle for survival the bill was drained of a great deal of its original strength and purpose. Whether or not it is strong enough to do its job of protecting voting rights remains to be seen. But it will never be able to serve its original purpose of protecting other civil rights. For, if it had been passed in all its facets, it already would have been tested.

No more than a few days after the Civil Rights Act of 1957 was enacted into law, we witnessed one of the sorriest domestic incidents of the last 50 years. I refer, of course, to the tragic and nationally humiliating affair which occurred at Little Rock, Ark. Here was a city which, in compliance with the United States Supreme Court order of 1955 that desegregation proceed with all deliberate speed, had carefully formulated a plan to integrate its Central High School, and was ready to put that plan into effect in all good faith. Then, very ironically, the Governor of Arkansas used his powers derived from law to frustrate the law of the land as laid down by our highest Court. There we had a terrible travesty of justice. There we had troops being used not to protect and enforce the constitutional principle of equal protection of the law, but to flagrantly deny this maxim.

We are all familiar with the events which took place during those few weeks last September. Governor Faubus actually challenged the validity of the Federal Court's order to proceed "immediately" with the integration as planned. Judge Davies, who refused to grant a stay of integration as requested by the local board of education, said:

> In an organized society, there can be nothing but ultimate confusion and chaos if court decrees are flaunted—

He meant "flouted"—

> whatever the pretext.

The Governor announced that he did not intend to call off the National Guard men. Their orders not to admit Negroes to the school stood fast. The Governor, after a conference with President Eisenhower, agreed to abide by the ruling of the court, hearing to be held on September 20. On that day, Judge Davies granted a temporary injunction against the Governor's use of the National Guard. The Governor complied with the court's ruling, and ordered withdrawal of the troops.

Integration was scheduled to proceed on September 23. A large crowd of more than 1,000 people gathered near the school. Despite the efforts of city and State police, the mob managed to attack newspapermen and Negroes in the area. The eight Negro students were taken from the school and escorted home for their own protection.

The President then announced his intention to use force if necessary to guarantee compliance with the order of the court. The necessity was demonstrated the next day when, despite the President's order to cease and desist, another mob gathered in front of the school. That afternoon the President ordered the Secretary of Defense to federalize the National Guard and to "call out whatever troops might be necessary to insure compliance with the district court order." Paratroopers swiftly moved into Little Rock, and integration proceeded with a minimum of disorder.

Now we come to the question of what might have been done if the civil-rights law of 1957 had not had its teeth extracted by opposing legislators. If part 3 of the bill, as originally proposed, had been preserved, the use of force by Federal troops might have been averted in Little Rock. The Attorney General could have taken action against the agitators who threatened to interfere with the planned integration. It might also be said that most of those who made up the mobs around Central High School would not have been there if they had known they were risking arrest and possible prosecution for violating Federal law. True, this is all conjecture; but the point is that for lack of any law to enforce the integration plan, and to nip interference in the bud, we had to rely on the Presidential power to enforce a court order by use of Federal troops. Would it not have been better to have had such a law?

What the Little Rock incident cost us in national morale and in international propaganda is immeasurable. One fact is clear. We did not gain by this humiliating experience. The President's order and use of troops were not enough to save face, for we had lost face by allowing the whole mess ever to come about.

How many more Little Rocks will there be? How many more flagrant denials of individual civil rights will be perpetrated throughout this Nation because of inadequate legislation to prevent such episodes? How long shall we go on as a Nation denying citizens basic constitutional rights because of such weak excuses as traditions, social systems, and States rights?

Some claim that the protection of civil rights is the task of the States. The States have had their chance to do so. Is it not odd that most of the complaints of violations in the area of civil rights occur in the States which claim that it is their job to protect these rights? Over 50 years ago the doctrine of separate but equal facilities for the races was announced by the Supreme Court. This proposition remained only a doctrine without substance. States most concerned with racial problems did not support this doctrine in good faith. "Separate" remained, but as a matter of fact "equal" was never accomplished. Thus the recent Supreme Court decision that separate facilities are "inherently unequal."

Today we all know that the Supreme Court, by its 1954 decision concerning segregation in the schools, has announced the ends to be accomplished. The need for means by which these ends can more equitably be accomplished has been forcefully demonstrated by Little Rock and other such experiences.

The administration has made clear that it will not press firmly and vigorously for the endorsement of civil rights and civil liberties. As with the other grave problems confronting our Nation at this critical stage of history, the ad-

ministration refuses to lead the civil-rights problem to a decision. However, a problem of this magnitude, involving basic human rights and a world contest in which freedom itself is at stake, requires more than indifference or inaction. Hence, Congress must press forward the fight begun last year and enact additional legislation to safeguard the constitutional rights of all citizens. I urge early approval of the Civil Rights Act of 1958 which is sponsored by a number of distinguished colleagues and myself who are determined to extend full first-class citizenship and equality of opportunity to all our citizens without regard to race or creed or color or any other circumstance.

It is over 3½ years since that historic decision by the Supreme Court declared that segregation in public schools is a denial of equal opportunity and violates the 14th amendment. The tragedy of Little Rock and similar outbreaks elsewhere, make clear the need for Congress to provide explicit conditions and machinery for implementation of the Supreme Court decisions. As the Civil Rights Act of 1958 declares, those decisions express the moral ideals of the Nation and the world and point the way to a Nation enhanced in strength and dignity at home and enhanced in honor and prestige throughout the world. It is our clear duty to continue the forward march begun last year.

Dulles' Dedication to Nation

EXTENSION OF REMARKS
OF
HON. THRUSTON B. MORTON
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES
Tuesday, April 15, 1958

Mr. MORTON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an excellent article by the senior Senator from Massachusetts entitled "Dulles' Dedication to Nation." This article appeared in the Washington Evening Star on April 9, 1958. I subscribe heartily to the statements contained in the article.

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

DULLES' DEDICATION TO NATION—SECRETARY'S STEADFASTNESS IS CALLED BENEFIT TO UNITED STATES AND OBSTACLE TO FOE

(By LEVERETT SALTONSTALL, United States Senator from Massachusetts)

(EDITOR'S NOTE.—This is another in the statesmen's series of columns being written by distinguished personages in the Government, national affairs, business and the military for Thomas L. Stokes, who is seriously ill.)

I am glad to have this opportunity to pinch-hit for one of America's best-liked columnists, Tom Stokes. I have always had respect for his integrity, although frequently we are at opposite poles in our thinking on current issues.

Since the beginning of our Nation, courage and fortitude have been hallmarks of America and the American way of life. Our cities, towns and farms were carved out of a wilderness; our Government was created out of a fight for freedom.

We have had to have strong leaders to guide us during the growth of our Nation. Courage and determination are, therefore, among the most priceless qualities of our heritage and of those who serve our country. These qualities have very much distinguished our present Secretary of State.

The primary duty of a Secretary of State is to advance the interests of our country around the world, protect American citizens and their interests in other countries and to do his utmost to keep peace. Secretary John Foster Dulles has done just that.

He has always worked primarily to promote the security of the United States and the cause of peace. He has indeed devoted his entire life to advancing the interests of our Nation in international affairs. Without his guidance of these tremendous international problems, we might well have suffered many more setbacks and achieved much less in our cold war struggles.

President Eisenhower's policies with Mr. Dulles' advice and guidance have kept us out of war without sacrificing our principles and without compromising the objectives which we seek. Although from day to day we cannot be sure that we are free from the threat of aggression, we have maintained under this leadership peace without compromise.

But whether we agree with Mr. Dulles' policies or not, I think all of us must agree on one thing—he has been determined in his beliefs, steadfast in his devotion to America's peaceful objectives. He has stood firm for the principles he knows to be in the best interests of the United States.

He has been bitterly attacked here at home by those who disagree with his handling of our international problems. At one time he was sharply criticized for his statement that our Nation was on the brink of war; yet at the same time he is criticized for giving way in the face of the Communist aggression.

He is attacked for failing to inject any daring new ideas into our foreign policy, yet he is criticized for his personal visits with heads of state all over the world—a Dulles innovation. He is attacked for refusing to accede to the futile gestures offered by the Russians with respect to a summit conference; he is criticized for not being more vigorous in demanding the return of American citizens held by the Communists and in the same breath he has been criticized for not permitting Americans to travel in those areas where the Communists have been known to seize visitors from the Western World.

His steadfastness in the face of bitter attacks has repeatedly paid off in advancing United States interests throughout the world. He stood fast when the last stronghold of Nationalist China stood in the shadow of the Communist tyrant—Formosa was saved. His firmness in the face of the crises in Vietnam and the Middle East has proved to be insurmountable to the Communists.

The recent SEATO meetings in Manila have indicated an unusual singleness of purpose among its member nations. After the first day of meetings, when all of the speakers joined to voice a common anti-Communist purpose, the Soviets renewed their propaganda barrage against Mr. Dulles.

These characteristics of Mr. Dulles have been particularly manifest in his stand on the Russian urgings for a summit meeting. He has been firm in his insistence that all preparatory steps must be concluded before any such conference is held.

He and the President want to insure that a summit conference has a chance for real progress toward the achievement of world peace and that it is not merely a spectacular vehicle for Communist propaganda. At the same time we certainly will not close any avenue, no matter how difficult the task may be, to achieve world peace. But we must not be deluded into a summit conference which because of lack of adequate preparation can only result in an opportunity for increased Russian propaganda.

Mr. Dulles has negotiated more with the Russians than has any other living American. Thus his judgment as to the conditions under which negotiations will best serve the interests of the Free World is of utmost importance, not alone to us but also to our allies.

Since the retirement of Winston Churchill, Mr. Dulles has become the No. 1 target of Communist attacks. More propaganda has been directed against him by the Soviets than against any other living person.

This is a tribute to his courage and to his effectiveness as a negotiator with the Russians during the past decade; his only sin is his dedication to America and the principles we stand for. For this I commend him; he deserves the support of all Americans.

I thank Tom Stokes for the opportunity to say these few words. Let us hope he is back with us soon.

Catching a Minnow—Ignoring a Whale

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Tuesday, April 15, 1958

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a news release and letter to the Attorney General, commenting on the Department of Justice's recently announced case concerning alleged illegal pricing practices by automobile dealers in the District of Columbia.

In my view, proceeding against the dealers, while apparently ignoring the manufacturers, is unusual, to say the least.

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

Senator ESTES KEFAUVER, Democrat, of Tennessee, today asked the Department of Justice to consider an inquiry into possible violations of the antitrust laws by the General Motors Corp., to accompany its recently announced case into alleged illegal pricing practices by automobile dealers in the District of Columbia.

In proceeding against the local dealers and neglecting General Motors, remarked Senator KEFAUVER, the Department is trying "to catch a minnow while ignoring a whale."

In a letter to Attorney General William P. Rogers, dated April 9, the Tennessee Senator made clear that he was not questioning the propriety of the Department in launching a case against the auto dealers for possible conspiracy to impose a trading pack giving the buyer the impression of a trade-in allowance.

The Senator noted that at recent hearings by the Antitrust and Monopoly Subcommittee, of which he is chairman, a dealer stated that auto dealers were captive. Other evidence indicated wholesale auto prices are at an alltime high, with comparative models similar in price.

"In view of this information," he noted, "to proceed against dealers without investigating the activities of the automotive manufacturers appears to be an oversight." He added, "I should think that the Department of Justice would be vitally interested in determining whether or not the prices of

the automotive industry are the result of competition or the result of monopolistic influences."

Referring to trade figures, Senator KEFAUVER pointed to the remarkable increase in General Motors share of total auto production from 46.5 percent in the first quarter of 1957 to 55.9 percent in the first quarter of 1958. "Does it not bring General Motors' share of the total market perilously close to that percentage indicated as doubtful in and of itself?" he asked the Attorney General.

Senator KEFAUVER cited a number of instances of General Motors' conduct and activities on the basis of which he asked the Department whether it did not now have sufficient evidence of abuses to justify exploration. He referred to General Motors' manufacture of diversified products, alleged coercion of its dealers to use General Motors Acceptance Corp., loans to customers reportedly resulting in purchases of cars, sale of parts to franchised dealers, the relationship between GMAC and General Exchange Insurance Corp., and possibly subsidy of some GM divisions by others.

He also emphasized that President Harlow Curtice had told the subcommittee that General Motors sets the price of its cars high enough to guarantee a return of 15 percent to 20 percent after taxes. "How can such a practice by General Motors be reconciled with competitive behavior?" he asked.

In view of the material cited in the letter, and other facts which the Department undoubtedly has available, the Senator asked Mr. Rogers: "Would it not be appropriate for you to consider accompanying the recent case against the dealers under section 1 of the Sherman Act with a contemporaneous case against General Motors under section 2 of the act?"

Senator KEFAUVER stressed he was making this request as an individual, and does not know the views of other subcommittee members on this subject. Hearings into administered prices in the auto industry are scheduled to be resumed April 29.

The text of the letter follows:

APRIL 9, 1958.

Hon. WILLIAM P. ROGERS,
Attorney General of the United States,
Department of Justice,
Washington, D. C.

DEAR MR. ROGERS: I recently noted in the press that the Department of Justice is launching a case against automobile dealers in the District of Columbia. It is reported that the case involves alleged practices by local dealers of concertedly adding to the manufacturer's list price a "trading pack" which enables the dealers to give the buyer the impression of a generous but partially fictitious trade-in allowance.

If these automobile dealers have in fact conspired among themselves to impose these "packs," they have, of course, been engaging in an outright conspiracy in restraint of trade and in violation of section 1 of the Sherman Act. Obviously, effective enforcement of the antitrust laws demands that such a practice be terminated. Without in any way questioning the propriety of the action against these dealers, in reading this announcement I could not help but wonder if the Department was not seining for minnows when it should be fishing for a whale.

During the recent hearings on administered prices in the automotive industry before the Antitrust and Monopoly Subcommittee, the statement was made that dealers in the automotive industry are not free, but captive. Evidence also shows that automobiles are priced wholesale at an alltime high, with comparative models substantially similar. In view of this information, to proceed against dealers without investigating the activities of the automotive manufacturers appears to be an oversight.

As 1 in every 7 Americans gainfully employed are, directly or indirectly, attributable to the automotive industry, the actions of the members of this industry bear close scrutiny. I should think that the Department of Justice would be vitally interested in determining whether or not the prices of the automotive industry are the result of competition or the result of monopolistic influences.

I assume that the transcripts of the hearings on administered prices in the automotive industry have been brought to your attention. It is my understanding that such transcripts have been made available to the antitrust division of the Department of Justice. Without prejudging these hearings, I was impressed with much of the data and information that was presented bearing upon the question of monopoly.

According to figures published in Automotive News of March 31, 1958, General Motors has increased its share of total United States production of passenger cars from 46.5 percent in the first quarter of 1957 to 55.9 percent in the first quarter of 1958. This is a remarkable increase in the short span of 1 year. Does it not bring General Motors' share of the total market perilously close to that percentage indicated as doubtful, in and of itself, as stated in *United States* v. *Aluminum Company of America* (148 F. 2d 416)?

I am fully aware that where size alone is not sufficient to prove a violation of section 2 of the Sherman Act, a showing of abuse of power is required. However, in reading the decisions in the Alcoa case, supra, and *American Tobacco Company* v. *United States* (328 U. S. 781), I am impressed with the fact that but little proof of abuse is sufficient. In view of the judicially determined dominate position in the auto industry held by General Motors, it can be held legally responsible for a very high standard of conduct. *United States* v. *General Motors Corp.* (121 F. 2d 376; cert. den. 314 U. S. 618).

It is well known that General Motors is engaged in the manufacture of a diversified line of products. In fact, it was shown during the recent pricing hearings that General Motors is among the first 4 producers in some 30 manufacturing industries. Although diversification is not illegal, nevertheless when it is coupled with tying or other coercive devices, such practices have been violative of law. The General Motors Acceptance Corp. case, supra, is an important illustration. The coercion by General Motors of its dealers by forcing them to use GMAC was a violation of the Sherman Act. The National City Lines case is another example. The offense here was forced reciprocity. General Motors loaned money to National City in return for which it received automotive trade. *U. S.* v. *National City Lines* (186 F. 2d 562). The recent du Pont-General Motors case is another illustration. *U. S.* v. *E. I. du Pont de Nemours & Co., et al.* (353 U. S. 586). The reciprocity in this case was mutually beneficial to both parties.

Quite apart from the Department's action against the dealers, does not the Department now have sufficient evidence of abuses by General Motors to justify exploration? Would it not be productive to examine closely whether General Motors by the practice of reciprocity is not forcing sales of its products in return for loan of capital or purchases? During the recent hearings, Mr. Harlow Curtice conceded that General Motors had made loans of capital to several of its suppliers.

Would it not also be productive to examine the full line forcing or tying practices of General Motors with respect to its dealers to determine how much freedom its franchised dealers have in selecting the parts that they might handle?

Would it not also be productive to examine whether or not General Motors is forcing its dealers to handle its own products exclusively? In this respect, should not an investigation be made into the relationship between General Motors Acceptance Corp. and General Exchange Insurance Corp.? Does GMAC require insurance with GEIC? Does GEIC require that repairs be made in the shops of General Motors' dealers and, if so, can other parts other than General Motors be used?

As General Motors does not make public figures on the profitability of its various divisions, should not an investigation be made of whether some divisions are wholly or partly subsidized by others? An examination of such data is of the very essence in order to determine whether or not the conglomerate economic strength of General Motors is being brought to bear selectively in any divisional field or industry.

During the course of Mr. Harlow Curtice's testimony before the subcommittee, he also stated that General Motors, in establishing its auomotive prices can and does establish the price of automobiles sufficiently high to guarantee a return of 15 percent to 20 percent profits, after taxes. How can such a practice by General Motors be reconciled with competitive behavior?

In view of the foregoing, and other facts which should be available to the Department, would it not be appropriate for you to consider accompanying the recent case against the dealers under section 1 of the Sherman Act with a contemporaneous case against General Motors under section 2 of that act? The record of the recent hearings held before the Antitrust and Monopoly Subcommittee, as well as the hearings held before the same subcommittee in 1955, leave little doubt in my mind other than the hard core of the monopoly problem in the automotive industry is the concentration of production held by the Big Three of that industry, and by General Motors in particular.

In the general context of trying to preserve competition and prevent monopoly, for the Department to attack the dealers while neglecting General Motors is, as I stated, to catch a minnow while ignoring a whale.

Alhough I am chairman of the Antitrust and Monopoly Subcommittee, I have made no attempt to ascertain the views of the other members of this subcommittee on the subject matter of this letter. I have taken this course principally because the subcommittee has not as yet completed its study of administered prices in the automotive industry.

Sincerely,

ESTES KEFAUVER.

World Peace Through World Law: Comments by National Leaders

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1958

Mr. PORTER. Mr. Speaker, world peace must come through world law. There is no other way. How to obtain world law is explored in detail in a recently published book, World Peace Through World Law, by Grenville Clark and Louis B. Sohn.

Under a previous consent, I am including the following comments on this distinguished book by outstanding persons in the United States and the United Kingdom:

President Everett Case, Colgate University:

"Thomas à Kempis once remarked that 'all men desire peace, but very few desire the

conditions requisite for peace.' Among these very few, the authors of this work have rendered a great public service in spelling out, for all to see, the nature of these requisites for our times.

"There is something immensely heartening, therefore, not only in the emergence of so challenging a book as World Peace Through World Law, but also in this fresh and compelling demonstration of what can be accomplished for the public good by the joint and voluntary enterprise of two private citizens whose abilities are matched only by their devotion.

"If our era is not to be the most destructive in human experience, it will have to be the most creative. Moreover, any free society which ceases to be creative, ceases to be. What Grenville Clark and Prof. Louis B. Sohn offer us in this book, then, is nothing less than a new lease on life. Whether we accept or reject the offer, we dare not ignore it.

"Let no one who professes a genuine concern for peace fail on any pretext to read and ponder their proposals. Rather let each who professes such concern read the brief but cogent introduction and then excuse himself, if he can, from pursuing the matter further."

United States Senator JOSEPH S. CLARK, of Pennsylvania:

"Every politician interested in the survival of civilization will want to read this book. So will all others with the same objective. The book spells out in detail a carefully thought through, feasible plan for achieving world peace and disarmament in this generation. It points the way, through practical political action, to prevent the threatened destruction of most of mankind."

President John Sloan Dickey, Dartmouth College:

"For many years I have envied reviewers and others their certain judgments that this or that book is 'the most important since * * *.' 'Until' is an even more unlimited word than 'since'; but I am sure that all those who use this great work (and that's what it is) will hope that a more important book on the organization of a lawful international order is not written until something is done about the subject by statesmen. This book is one of those magnificent intellectual ventures into concreteness on which better answers for big problems are built. It makes me wish I were a talent scout for the Nobel peace prize."

Mr. Justice William O. Douglas, Supreme Court of the United States:

"War can no longer be relied on to solve international problems if civilization as we know it today is to survive. The United Nations as it now exists is of great value. Yet the world must have a stronger United Nations with new powers and new functions or other agencies that can seek political solutions of present and future problems. This book in specific language suggests an alternative. These concrete proposals should be earnestly considered. Any suggestion that might ensure world peace deserves attention. But this particular plan should receive special consideration and be read and debated because it is presented in specific rather than general terms and because its authors bear distinguished credentials."

Thomas K. Finletter, lawyer:

"The launching of the two Russian satellites has started a new era. Now, for the first time since the end of World War II, the people of the United States, and I think the same is true of our allies in Europe and of the peoples of Asia and Africa, have had their eyes opened as to the scientific-military revolution through which we are passing. The people of the United States have been ignorant of the facts of this revolution. The Russian satellites woke them up. But the sputniks exposed more than the facts about the military situation. They revealed the need for something new in all our foreign policy and particularly in the area of the control of modern weapons of war and of the search for peace.

"For over 12 years now, ever since the end of World War II, Grenville Clark and Louis B. Sohn have been studying the problem of peace. They reached the conclusion early that world peace can be achieved only through world law, a conviction which was stated recently by President Eisenhower. But instead of contenting themselves with generalities about this greatest of all subjects of the political world today. Messrs. Clark and Sohn proceeded to study what this meant. What was world law? Law might mean many things. It might be a philosophic concept, existing only in men's mind without institutions to support it. Or it might mean law in the sense that we think of it in our States and in the Federal Government, with institutions to make it real.

"Messrs. Clark and Sohn being practical men as well as scholars, took the latter meaning and then proceeded to the gigantic task of defining in detail exactly what they meant by a world law which might be put into effect today, with the very practical result of preventing the world from blowing itself up with hydrogen bombs. As Grenville Clark says in the book: "Accordingly our proposals are advanced in the firm conviction that genuine peace through world law is now a practical prospect which practical men can work for with reasonable hopes." Here is the great point about this invaluable book. It is a practical proposal. It is something that man can realize right now if he will bring his reason to bear on the problem. This is the kind of solution for which so much of the world has been grasping. This is the kind of solution which those who are talking of disengagement in Germany and the Near East, of missile-free zones in Europe, of trial areas for an inspection system are striving for. This practical, tough-minded 500 pages of analysis is the first blueprint yet made which can give those who want not to have hydrogen war a practical beacon toward which they can direct their efforts.

"The proposal is for an amendment to the United Nations Charter and for substantial revisions of its structure and of its functions. Disarmament means what it says. Disarmament is to be complete, down to the levels needed for local policing. The arrangement is to be enforceable within the limited field of the prevention of war. The United Nations is to have a police force. World law against international violence is to be explicitly stated. World tribunals are to interpret and apply the world law. There is to be a taxing system which will assure that the UN will have the money to carry out its responsibilities. A world development authority is to be set up to create conditions in which peace can grow in the undeveloped areas. And so on. A draft of a new Charter of the United Nations and annexes describe the institutions under which this world law shall operate.

"This book is a landmark. It may become the text out of which will grow man's effort to use his reason to save him from destroying himself. Those who cannot envisage any departure from the present world of anarchy will find the book disturbing to their prejudgments. But those who believe that now, finally, man must recognize that war is out of hand and that international anarchy is no longer tolerable will find in this book the greatest intellectual contribution yet made to the cause of world peace.

"Messrs. Clark and Sohn lay much store by the practical nature of their proposal. And in this they are indeed right, with one proviso only. This proposal is practical if the governments of the world are in any proper degree responsive to the will of the peoples whom they represent. If the peoples of the world were to be consulted there is no question what their verdict would be. It is that this is a proposal which they want put into practice."

United States Senator RALPH E. FLANDERS, of Vermont:

"The proposals of this book constitute the one logical working out of the problems of disarmament and the peaceful world. Nothing else that has been done, suggested, or thought of, approaches it in thoroughness and intelligence.

"World peace through world law is the attainable objective. There are two things necessary to its attainment. One is a background of popular determination the world over. The other is practical negotiation. The educational process needs to be far more fully developed and more strongly supported. The negotiations need an intelligence, an imagination, and a determination which have not yet been shown."

Raymond B. Fosdick, lawyer:

"This book, written by two lawyers, Grenville Clark and Louis B. Sohn, provides a comprehensive and systematic statement of the changes, article by article, which the authors believe should be made in the Charter of the United Nations if the world is to be saved from shipwreck. It represents years of research and consultation in the United States, in Europe and in Asia, and is the first detailed outline which I have seen of a world authority under worldwide law.

"The plan may not seem immediately practicable, but in the desperate condition which we face today we need to have spelled out to us the steps toward a larger unity which, whether we like it or not, we shall ultimately be forced to take. For we cannot go on as we are. Just as the Articles of Confederation before 1787 proved inadequate to meet the emerging problems, so the present Charter of the United Nations needs to be geared to the utterly new world with which technology has presented us since 1945.

"This is a gallant and highly intelligent attempt to point out the path into an inscrutable future. If it opens itself to the charge of idealism we can recall with profit one of Woodrow Wilson's last statements before he died: 'The world is run by its ideals. Only the fool thinks otherwise.' "

Arthur L. Goodhart, master of University College, Oxford:

"It is a great thing to have presented in so powerful a way the case for civilization. Disarmament can only be maintained effectively if supreme power is placed in a body capable of enforcing the peace. This book states in a cogent and striking manner the problem which the world will have to solve if it is to escape from ultimate disaster."

Paul G. Hoffman, industrialist and public servant:

"World Peace Through World Law is a monumental work. Mr. Clark and Mr. Sohn are to be congratulated for having produced one of the truly important books of our time. It is important partly because the proposals are specific. I am sure they do not expect everyone to agree with everything they suggest; in fact, they make it clear that they do not. But they have given everyone who yearns for peace something that merits the most serious consideration."

Whitney North Seymour, lawyer:

"Every lawyer will be interested in this book. All of us recognize that the main problem of the modern world is to extend the rule of law everywhere. Most of us have felt that this is the one possible road to peace and to any prospect of ending the cold war. But there vagueness has set in; the necessary institutions have seemed painfully elusive. It is appropriate that Grenville Clark (with a distinguished collaborator), who once led the American bar to deep concern for individual freedom and then helped to lead the country to prepare

to defeat Nazi tyranny, should now lay before us a detailed plan for saving the world from the nuclear war which would destroy civilization. The authors' proposals are bold, they make one gulp and conjure up many complications and difficulties, but they are far too carefully thought out to be disregarded. They do not pretend that they have all the answers or minimize the difficulties—but their pioneer work is worthy of the finest traditions of constructive professional thought."

Adlai E. Stevenson, lawyer:

"Certainly no one in the United States has given as much thought and scholarship to the legal basis of peace as Grenville Clark and Louis B. Sohn. And that is only one reason why the book which they have prepared is required reading for every thoughful student of man's most important business—peace."

Norman Thomas, writer and lecturer:

"The day when World Peace Through World Law is published will be a great landmark on mankind's road to peace. In it we have the definitive statement of the constructive conclusions reached by Messrs. Clark and Sohn after long years of study during which their tentative plans for peace through law have been laid before large numbers of men and women for comment and suggestion. In their completed plan lies, I am persuaded, mankind's best hope of escape from suicide as a result of our mad arms race which in this nuclear age can end only in annihilation.

"It seems to me axiomatic that if constructive fear of destruction by nuclear warfare does not lead to universal, controlled disarmament it will not in the madness of war lead to such self-control that every nation and its military will refrain from using the most destructive weapons then at its disposal.

"But disarmament, unless it is to be as futile as the nations' renunciation of war under the Kellogg-Briand Pact, requires a system of world law which to be effective in turn requires the existence of a representative international organization. The questions then arise: How much and what sort of law is necessary for effective disarmament and the maintenance of peace? How much and what sort of change should there be in the United Nations and its charter?

"The obsession of nation states with their sovereignty makes it important to answer these questions in minimum rather than maximum terms. To write an ideal constitution for a rational world would be an empty academic exercise. Our task is with what may and must be done in time to avert catastrophe.

"And here the method followed by Messrs. Clark and Sohn is invaluable. Clause by clause they suggest necessary changes to the existing charter supporting each of them by clearly reasoned comment. It is hard to imagine an important question which they have not faced. The time has come when we must talk in terms of specific action, not in generalities. In this sort of fruitful discussion, World Peace Through World Law has given us extraordinary help and guidance."

James P. Warburg, author:

"If the world survives the present perilous period of transition from the era of the nation-state to the era of world organization, this book will be regarded by future historians as a milestone in human progress."

Barbara Ward (Lady Jackson), economist and writer:

"This is a time when men and women are becoming obscurely conscious that we cannot split the atom or conquer outer space without making some consequent adjustments to our basic institutions. Statesmen talk in general terms of sacrifices of sovereignty and the curtailment of some liberties to make greater ones more effective. We are growing aware that the total sovereign nation-state today is in some measure as anachronistic as a primitive tribal group. But all this confused sense of the necessity of change barely gets beyond the twilight zone of instinct or hunch.

"The immense value of World Peace Through World Law is that it confronts us with the concrete implications of our half-formed thoughts and helps us thereby to move forward to the clear light of understanding, decision and action. The proposals put forward by Mr. Clark and Dr. Sohn are not intended to be final or definitive, but they start from a definitive principle—that no nation today can be secure and prosperous save in a world community ruled by law. No one who has read these pages can ever again be confused on this basic point."

Results of Questionnaire Mailed by Hon. John F. Baldwin, Jr., of California, to Residents of the California Sixth District

EXTENSION OF REMARKS
OF
HON. JOHN F. BALDWIN, JR.
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 15, 1958

Mr. BALDWIN. Mr. Speaker, early this year I mailed a questionnaire to every family of registered voters in the California Sixth Congressional District. The response to this questionnaire was the largest that I have ever received. Many constituents not only answered the questionnaire, but sent supplementary letters or wrote detailed comments on the back of the questionnaire. I have spent many hours personally reading all of these comments, and they have been most helpful. I am firmly convinced that a Congressman can better represent his constitutents if he knows the views of all of his constituents, than if he has only heard from pressure groups.

The tabulation of the questionnaire is summarized below:

1. Do you feel that our expenditures for national defense, including missiles, should be (a) increased, 68.5 percent; (b) remain the same as last year, 24.2 percent; or (c) decreased, 7.3 percent.

2. If you had to choose between an adequate national defense and a balanced budget, which would you prefer? (a) Adequate national defense, 90 percent; (b) balanced budget, 10 percent.

3. If it becomes evident in the coming year that Federal expenditures will exceed Federal revenue, which of the following would you prefer? (a) That the balance be raised by increasing Federal taxes, 48.6 percent; (b) that the balance be raised by issuing bonds and thereby increasing our national debt, 51.4 percent.

4. Do you feel that we should, or should not, enter into disarmament negotiations with Russia? (a) Should, 49.7 percent; (b) should not, 50.3 percent.

5. There has been much discussion as to the rivalry between the Army, Navy, and Air Force in the missile program and in other defense plans. Which of the following reflects your views? (a) Such rivalry is healthy and should continue, 27.1 percent; (b) such rivalry is harmful and should be eliminated, 72.9 percent.

6. Would you be in favor of a program of Federal scholarships and fellowships to stimulate increased interest by students and potential teachers in the field of science and mathematics? Yes, 72.2 percent; no, 18.9 percent; undecided, 8.9 percent.

7. It has been proposed that Congress pass legislation regulating the administration and control of union trust funds, in order to reduce the possibility of misuse of these funds.

Answer from all constituents: favor, 76.8 percent; oppose, 15 percent; undecided, 8.2 percent.

Answers from union members: favor, 73.1 percent; oppose, 19.9 percent; undecided, 7 percent.

Answers from nonunion members: favor, 79.3 percent; oppose, 12.3 percent; undecided, 8.4 percent.

8. Do you feel that the annual rate of expenditures being made by our Federal Government to support prices of farm products, should be (a) increased, 13.4 percent; (b) remain the same as last year, 29.4 percent; (c) reduced, 57.2 percent.

9. It has been proposed that a constitutional amendment be passed to define more accurately the circumstances under which the Vice President should assume the duties of the Presidency in the event of disability on the part of the elected President. Do you favor or oppose such an amendment? Favor, 82 percent; oppose, 10.8 percent; undecided, 7.2 percent.

10. There has been much discussion as to whether the Federal Government should expand its direct production of electric power (so-called public power), or whether it should encourage the expanded production of such power by private utility companies wherever possible (so-called private power). Which of these principles do you favor? (a) Expansion of public power, 37 percent; (b) encouragement of expanded private power, 51.3 percent; (c) undecided, 11.7 percent.

11. It has been proposed that Congress pass legislation to ban pay television. (Pay TV is a procedure whereby the viewing TV audience must pay a charge in order to view a TV program.) Would you favor or oppose such legislation? Favor, 52.9 percent; oppose, 37.6 percent; undecided, 9.5 percent.

Improving Health Standards of the Nation

EXTENSION OF REMARKS
OF
HON. WILL E. NEAL
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 15, 1958

Mr. NEAL. Mr. Speaker, H. R. 11414 has been reported out of the Interstate and Foreign Commerce Committee.

I objected to the committee's action not because I oppose its worthy objective.

No one is more enthusiastic for the cause of public health than one who has spent most of his life promoting and observing its progress.

I opposed it solely on the grounds that the Congress, by piecemeal appropriations, is invading a field where multiplicity of efforts, each directing its resources to the same end but without coordination, need to be studied and correlated to avoid duplication and waste of effort.

Since the beginning of this century I have been a student of health problems and an observer of progress toward improving the health and welfare of our people. During these years I have witnessed the greatest progress toward eradication of epidemic and endemic diseases ever accomplished by any people

of any age in history. It is significant that doctors of medicine have fronted in this great movement, but it must be recognized that much of the credit is ascribed to ancillary groups working toward the same end without whose combined efforts the Nation's standards of health as we now know them, could not have been attained.

The development of and the application of sanitary principles, scientific research into the causes, modes of transmission, response to drugs and chemicals, and developments in immunology have made major contributions toward disease control. Pharmaceutical houses, experimental clinics and treatment centers, and research programs, together with the mechanical artisans and designers of therapeutic devices, have made possible the control and cure of many of the disease abnormalities to which the race is subject.

Preventive measures, vaccines, inoculations, isolation of acute contagions, quarantine procedures, and the dissemination of knowledge of personal care through intensive campaigns by health officers, medical practitioners, public and private nurses, and school authorities, have made contributions of great value. When we add to these the combined efforts of voluntary fund-raising organizations, insurance companies, radio, press, and so forth, one wonders at the magnitude of effort made to keep our people well informed about matters pertaining to individual and community health, and the recordbreaking prolongation of the life span. Its worth is beyond measure.

With so many agencies, both private and governmental engaged in promoting better health, a certain amount of overlapping can hardly be prevented. There are listed about 100 foundations that devote their resources toward improving facilities and personnel in medical research and personnel training. Voluntary groups appealing to the public for voluntary contributions abound everywhere. The public responds generously to fund-raising campaigns for polio, heart, crippled children, blind, mental health, and what have you. Local, State, and Federal Governments appropriate funds to encourage greater availability of information and to augment teaching and research programs. Each of the armed services maintains facilities and personnel to develop and to direct an awareness of the importance of the prevention of disease among enlisted men and their families.

The National Health Councils have recently been recipients of appropriated funds to encourage special effort in research in many of the diseases that now baffle us. The financial support so freely given by public and government in the cause of health is an outstanding example of the generous character of a free people.

The medical colleges, institutions, and hospitals for training nurses, health workers, and sanitarians are and have been engaged in studies to determine the anticipated needs of our growing population. Matters such as the numerical relationships of doctors to patients, the number, location, and types of hospitals to provide adequately for the rapidly increasing numbers of older residents are under continuous study. These are among some of the problems to be met in the future. Because such matters have a very important influence on our social and economic welfare, they deserve careful attention and planning. It is quite apparent that if we expect to receive full returns for the money and effort expended in the cause of national health, these endeavors should be coordinated as far as possible by a central advisory agency.

The United States Public Health Service, the arm of our Government that has heretofore trained and assigned public health personnel to areas for specific health problems, and to local units of Government where effective organization of health effort is desired, would seem to be the logical agency to assemble and coordinate information and advice with all institutions offering special training courses for doctors, nurses, sanitarians, and public-health workers.

The Congress in amending title II of the Public Health Act in 1956, gave recognition to this need for coordination of training efforts. It provides for the appointment by the Surgeon General of an expert advisory committee composed of persons representative of the principal health specialties in the fields of public health, administration and training to advise him in connection with the administration of these traineeship programs.

This amendment also authorizes the Surgeon General to provide for similar studies and recommendations regarding traineeships in specialized training in public health for physicians, engineers, nurses, and other professional health personnel.

It is my view that these studies should cover the whole field of health endeavor. They should reveal the extent to which the existing haphazard approaches to our medical problems are unavoidably competing with each other. They should assemble information upon which the Department of Health, Education, and Welfare, through its primary administrative agency, the Public Health Service, can coordinate the resources of voluntary groups, foundations, and Government agencies for more direct and more efficient results. In the absence of a central coordinating agency, we can never realize the full potential of funds derived from private groups, endowments, foundations, and governmental appropriations. A clearer picture of the overall program will enable members of the Committee on Appropriations of the Congress to understand more clearly the purposes for which Federal funds are to be allocated.

The same holds true for the Bureau of the Budget. Such an agency, empowered by Congress to present a single packaged budget will then be expected to justify its appropriations requests for additional activities as the needs arise, rather than have separate agencies appealing for special legislation year after year.

H. R. 6771, the bill now before the House to authorize an annual appropriation of $1 million per year over a period of 5 years to aid the schools of public health is an example of a long series of uncorrelated Federal authorizations. The schools of public health, both private and public, are separate units of colleges and universities, especially engaged in training health officers and other health personnel. They are performing a grand service with limited financial support. They, like most educational institutions, need assistance, but they are not alone in their fields.

Many of the medical schools and allied institutions devote special attention to the training of personnel for this phase of health work, another indication that there is great need for coordination. The Public Health Service, during the hearings on H. R. 6771, suggested that the Congress delay action on this bill until the findings and the report of the Surgeon General's study committee became available before the end of 1959.

In view of the overall picture I have attempted to present to you, I am inclined to believe we should defer the passage of this bill and remind the Surgeon General that the Congress insists on the selection and activation of his committee at the earliest possible date.

The Explosive Problem of Importing Foreign Arms and Ammunition

EXTENSION OF REMARKS

OF

HON. ALBERT P. MORANO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1958

Mr. MORANO. Mr. Speaker, today I have written to the chairman of the House Foreign Affairs Committee, Hon. THOMAS E. MORGAN, explaining in some detail the urgent need for legislation to ban the importation of foreign military arms and ammunition for commercial use in this country.

Besides the unfair competition foisted upon American arms and ammunition industries, the importation of surplus military weapons has proven a definite safety hazard to American sportsmen inasmuch as some foreign-made rifles have a tendency to blow up in the shooter's face.

I have introduced an amendment to the Mutual Security Act to prohibit the importation of these unsafe weapons, a practice which not only jeopardizes life and limb of American citizens, but also is a contributing cause to unemployment and economic decline in our domestic arms industry.

Mr. Speaker, I wish to include herewith the text of my letter to Mr. MORGAN, and also a press release of today's date which briefly states the problem.

APRIL 15, 1958.

HON. THOMAS E. MORGAN,

Acting Chairman, House Foreign Affairs Committee, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: As you know, I have proposed the attached amendment to section 414 of the Mutual Security Act which would prohibit the importation or reimportation of

all military firearms and ammunition for sale in competition with domestic sporting arms and ammunition. I believe this amendment is required to alleviate a situation which has caused widespread unemployment and financial loss among the Nation's sporting arms manufacturers and their distributors and dealers throughout the United States. I believe that testimony now part of the Foreign Affairs Committee's records substantiates the need for relieving the serious threat to a vital defense industry.

In my study of this problem, I have come upon a phase of the matter which has greatly increased my concern above and beyond that which invokes such a hardship upon domestic industry. Among the thousands of military weapons declared surplus by mutual-aid nations and returned to this country to compete against American sporting arms on the commercial market is the Italian Carcano carbine. The Carcano being imported in greatest numbers is an 1891 model modified in 1938 for caliber 7.35 millimeters. The Carcano has been declared by the Italian Government to be unsafe for military use, according to testimony of representatives of our own Department of State, and an internationally recognized American gun authority, writing in an official publication of the National Rifle Association, underscores this finding.

Based on these two sources alone, it would seem to me that there is sufficient reason for all responsible citizens of this country to be alarmed over the distribution of these questionable arms among our Nation's sportsmen.

Robert N. Margrave, deputy director, Office of Munitions Control, Bureau of Security and Consular Affairs, Department of State, pointed out in official testimony before our committee: "It is our information that the Italian Government used rifles other than the Carcano during World War II. The Carcano was regarded as an undesirable rifle for military purposes because of the tendency of a portion of the barrel to explode."

Mr. Margrave added, "The only safe way to fire it, I understand, is with American ammunition."

The Carcano carbine is of 7.35 mm. caliber, and I am informed that no American ammunition manufacturer produces this cartridge. Shooters who expect to fire the Carcano must obtain ammunition whose origin is other than domestic. The Department of Commerce reports that in last December alone, 4,482,000 cartridges for this gun were imported from Italy. It is obvious that a gun, declared by the Italian Government to be unsafe for use with this specific ammunition, would be just as hazardous in the hands of an American sportsman.

Furthermore, Mr. Walter H. B. Smith, author of "Rifles, Volume Two of the N. R. A. Book of Small Arms," copublished by the National Rifle Association of America, Washington, D. C., and the Military Service Publishing Co., Harrisburg, Pa., has this to say about the Carcano (p. 246):

"The safety system (of the Carcano) is an Italian design, and is inherently dangerous as shattering or shearing of a fragile holding lug will let the firing pin blow back out of the bolt."

I am informed by reputable gun designers that the shattering of this lug could be caused by a pierced primer in a cartridge. The expected, logical route of travel for the blownback firing pin would be rearward through the shooter's face.

I assure you I make no claims to be technically versed in the field of arms and ammunition, but I am appalled by what is, even to the most uninitiated, an obvious threat to the life and limb of the American sportsman. There is, I am told, no regulatory system by which these and other imports of dubious origin can be examined and tested before they are made available to civilian shooters.

I believe that this, together with the testimony of Mr. E. C. Hadley, demonstrates that it is necessary that Congress adopt my amendment or similar legislation to correct this situation.

I would appreciate it if you will bring the foregoing additional information to the attention of the members of the committee.

Cordially yours,

ALBERT P. MORANO.

APRIL 15, 1958.

WASHINGTON.—United States Representative ALBERT P. MORANO, Republican of Connecticut, told Congress today that he is appalled by an obvious threat to the life and limb of the American sportsman stemming from unsafe foreign military rifles imported for commercial sale.

Congressman MORANO, sponsor of an amendment to the Mutual Security Act which would prohibit the importation of all military arms and ammunition, said surplus Italian Army carbines, imported for use by American sportsmen, have a tendency to blow up in the shooter's face.

In a letter to members of the House Foreign Affairs Committee, which is currently considering an extension of mutual security legislation, the Congressman said his amendment would automatically prohibit the importation of such firearms.

MORANO, pointing out that such imports also were causing unemployment and severe financial loss within the domestic arms industry, said:

"Among the thousands of military weapons declared surplus by mutual aid nations and returned to this country to compete against American sporting arms on the commercial market is the Italian Carcano carbine. The Carcano being imported in greatest numbers is an 1891 model modified in 1938 for caliber 7.35 mm. The Carcano has been declared by the Italian Government to be unsafe for military use, according to testimony of representatives of our own Department of State, and an internationally recognized American gun authority, writing in an official publication of the National Rifle Association, underscores this finding."

The Connecticut Congressman asserted: "Based on these two sources alone, it would seem to me that there is sufficient reason for all responsible citizens of this country to be alarmed over the distribution of these questionable arms among our Nation's sportsmen."

He quoted Robert N. Margrave, of the State Department's Office of Munitions Control, as saying the Italian Government regards the Carcano as an undesirable rifle for military purposes because of "a tendency of a portion of the barrel to explode." He added that Margrave claimed the only safe way to fire the gun is with American ammunition, but according to MORANO, no American company manufactures ammunition of the type used in the Carcano.

The Congressman said: "Shooters who expect to fire the Carcano must obtain ammunition whose origin is other than domestic. The Department of Commerce reports that in last December alone, 4,482,000 cartridges for this gun were imported from Italy. It is obvious that a gun, declared by the Italian Government to be unsafe for use with this specific ammunition, would be just as hazardous in the hands of an American sportsman."

MORANO also pointed out that Walter H. B. Smith, author of a National Rifle Association article on the Carcano, has written that the safety mechanism of the rifle "is inherently dangerous, as shattering or shearing of a fragile holding lug will let the firing pin blow back out of the bolt."

The Congressman added: "I am informed by reputable gun designers that the shattering of this lug could be caused by a pierced primer in a cartridge. The expected logical route of travel for the blownback firing pin would be rearward through the shooter's face."

MORANO said he is "appalled by what is even to the most uninitiated, an obvious threat to the life and limb of the American sportsman. There is, I am told, no regulatory system by which these and other imports of dubious origin can be examined and tested before they are made available to civilian shooters."

Results of Ohio 22d District 1958 Opinion Poll

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1958

Mrs. BOLTON. Mr. Speaker, recently I took a poll of my district requesting opinions on 18 proposed Federal legislative questions which may come before the present session of Congress. The questionnaire was mailed to every household of registered voters in the 22d Congressional District and there were responses from approximately 12,000 families.

I was particularly impressed with the sound reasoning of my constituents. Many hundreds of letters came to me with the questionnaire, explaining the answers given in detail and giving extremely helpful suggestions. It is very reassuring to know that such serious thought is being given by my constituents to the domestic and foreign affairs of our Federal Government.

The Ohio 22d District is an amazing cross section of the economic, racial, political, and religious structures that comprise many large metropolitan areas in the United States. The replies represent a well-balanced composite of the views of these groups.

For the benefit of Members of Congress who may have similar districts, I am inserting the results of the poll as follows:

CONGRESSIONAL OPINION POLL

NATIONAL DEFENSE

The Soviet Union is constantly reaffirming its ultimate goal of world domination by either military or nonmilitary means. Consequently the defense of the United States, and the Free World, must always be uppermost in our minds.

1. In view of the growing Soviet military threat, do you favor a larger Congressional appropriation for defense purposes? Yes, 71.2 percent; no, 22.1 percent; no opinion, 6.7 percent.

TAXES

In spite of the administration's continuing efforts to cut Government expenses and give us a further tax reduction, the inescapable and increasing costs of national defense may prevent lower taxes this year.

2. Are you in favor of postponing any tax cuts in order that additional funds can be made available for defense needs? Yes, 73.1 percent; no, 20.3 percent; no opinion, 6.6 percent.

3. Would you favor increased taxes at this time if our defense and nondefense expenditures should exceed current national in-

come? Yes, 24.2 percent; no, 63.9 percent; no opinion, 11.9 percent.

4. Rather than increasing taxes or increasing our national debt through deficit financing, would you prefer reductions in nondefense spending, even if existing Federal services and benefits were curtailed? Yes, 63.7 percent; no, 23.9 percent; no opinion, 12.4 percent.

If your answer is "Yes," what programs would you suggest cutting? Answers indicate that reductions are recommended in the following priority:

a. Farm subsidies.
b. Public housing.
c. Veterans' benefits.
d. Public-works projects.
e. Mutual-security funds.
f. Slum clearance.
g. Across-the-board cuts for all Federal agencies.

(A great number of answers indicated the desire for enactment of the balance of the Hoover Commission recommendations for more efficiency and economy in Government operation.)

FOREIGN POLICY

Our present foreign policy is based on a philosophy of maintaining peace through strength, and aiding the free nations of the world through a network of alliances (NATO, SEATO, etc.), and by economic and military assistance programs, in combating Soviet efforts at penetration and control.

5. Do you favor continuation of our mutual security (military and economic aid) programs? Yes, 79.4 percent; no, 15.5 percent; no opinion, 5.1 percent.

If your answer is "Yes," should such program be continued at present cost, increased cost, reduced cost?

The answers indicate that more people want program continued at present cost, followed closely by those wanting cost reduced, with approximately 14 percent response favoring increased cost.

6. Would you favor furnishing atomic missile weapons to our NATO allies in Western Europe? Yes, 54.8 percent; no, 32.7 percent; no opinion, 12.5 percent.

7. Do you favor legislation authorizing a greater exchange with our NATO allies of classified scientific information? Yes, 63.4 percent; no, 24.9 percent; no opinion, 11.7 percent.

8. Are you in agreement with the Eisenhower Middle East doctrine of military support against Communist aggression when requested by any nation in that area? Yes, 70.8 percent; no, 17.5 percent; no opinion, 11.7 percent.

9. Are you in favor of extending the Reciprocal Trade Agreements Act? Yes, 66.3 percent; no, 9.3 percent; no opinion, 24.4 percent.

LABOR MANAGEMENT

Several proposals for new labor legislation may be considered by the Congress to provide greater protection for the rights of individual workers, the public, management, and unions.

10. Do you favor Federal legislation to safeguard union welfare and pension funds? Yes, 85.6 percent; no, 8.9 percent; no opinion, 5.5 percent.

11. Are you in favor of extending the Federal minimum-wage laws to cover most retail and service businesses? Yes, 70 percent; no, 17.9 percent; no opinion, 12.1 percent.

EDUCATION

The administration has submitted a proposal to Congress calling for the expenditure of $1 billion over a 4-year period to provide scholarships for deserving college students primarily in mathematics and science. Other proposals to aid education have been introduced by various Members of Congress.

12. Do you favor Federal aid to education? Yes, 63.7 percent; no, 30.9 percent; no opinion, 5.4 percent.

13. Do you favor the 4-year, billion-dollar program of Federal scholarships primarily for mathematics and science students? Yes, 56.1 percent; no, 34.9 percent; no opinion, 9 percent.

14. In your opinion is this program adequate to meet our educational needs? Yes, 27.2 percent; no, 35.3 percent; no opinion, 37.5 percent.

If your answer is "No," what would you propose?

Proposals most frequently made:

a. Federal scholarship loan fund to be established at low interest rate, repayable in 10–15 years.

b. Income tax deduction for parents, or others, who support college students.

c. Income tax deduction for teachers for direct costs of obtaining additional education after receiving teacher certification. (It is to be noted that this suggestion is now being put into effect.)

d. Federal scholarship program should not be limited primarily to mathematics and science students.

e. Brilliant students should be given preference.

f. Grant Federal assistance to educational institutions for increased faculty salaries and educational facilities rather than to student scholarships.

g. No more frills in education.

GENERAL

Do you favor:

15. Legislation to end Federal controls over the production of natural gas at the wellhead, provided that adequate safeguards will guarantee a fair price to the public? Yes, 37.6 percent; no, 44.7 percent; no opinion, 17.7 percent.

16. Allowing experimental pay TV? Yes, 31.8 percent; no, 52.4 percent; no opinion, 15.8 percent.

17. Liberalization of immigration laws? Yes, 28.4 percent; no, 58.9 percent; no opinion, 12.7 percent.

18. Enactment of Presidential disability legislation? Yes, 79 percent; no, 10.5 percent; no opinion, 10.5 percent.

If your answer is "Yes," with whom do you feel the power to declare the President disabled should rest? Answers indicate the following preference priority in combination with competent medical advice in all categories:

a. Supreme Court.
b. Congress.
c. President.
d. Cabinet.
e. Separate commission.
f. Vice President.

Economic Statement

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1958

Mr. DINGELL. Mr. Speaker, as you know, Congress has been working overtime hours since the beginning of the year to head off and turn back the current recession.

From the start, the two parties have differed sharply about the right way to conduct this pincer movement. In the beginning, the Republicans accused the Democrats of gloom-mongering. President Eisenhower assured us that the worst was over. Then as unemployment continued to rise, he repeatedly cautioned us against moving too quickly. Now that March has come and gone without the promised recovery, the President again suggests delay. He implies if only we let the economy alone, the natural forces of supply and demand will right the staggering giant and we can all live happily ever after.

I would have greater confidence in the President's optimism if it were not for the fact that this current recession is traceable to unwise economic policies of the President. It is not long since the Federal Reserve Board initiated the so-called tight-money policy in an effort, we were told, to halt inflation. The President and his advisers supported this policy, and talked of creating a "rolling readjustment."

Let us strip the Madison Avenue cover from this slogan. In plain English, a "rolling readjustment" is a small-scale recession. The purpose behind tight-money policy, then, was to make borrowing unattractive and thereby to cause a short recession. The Eisenhower administration believed that a small recession would cause a price rollback that would "restore the health of the economy."

This sounds plausible in theory and some intelligent people accepted it. But it is bad economics. High interest rates cannot affect prices without first affecting employment and production. We have ample proof of this. It happened in 1920, in 1929, in 1937, in 1953, and it has happened again in 1958. The Eisenhower administration was burnt once by tight money, in 1953, but did not learn the lesson. The economy's thirst for goods and for industrial expansion outlived that first Eisenhower recession. The patient took poison but survived, and somehow the notion was broadcast that poison was good for the system.

In spite of economists' warnings, tight-money advocates again undertook to launch a "rolling readjustment" by jacking up interest rates. But this time the economy was in no shape to take poison. Inventories were at record highs. Capital expansion was at a comparative standstill.

We were cast into this trough by faulty notions; we cannot depend on those same notions to raise us up again.

The theory of "rolling readjustments" or small-scale recessions is directly contrary to the principle of full employment which was written into law by Congress in 1946. Despite the terrible lesson of 1929, some Republicans still talk lovingly about the ideal of a "free market." Yet, except for a few Neanderthals, they now accept the reforms begun by Franklin Delano Roosevelt and promise to apply them—"but not just yet."

Along with most other Democrats, I believe in full employment. I believe it is the Government's duty to maintain full employment. And it is to the concept of full employment and to the means for insuring it that I believe our efforts must now be directed.

Accordingly, since early in the session, Democrats in both Houses of Congress have proposed a number of measures designed to repair the damage which the tight-money advocates have wrought.

Some of these would take effect immediately. Some are standby measures designed to equip the Government for more drastic action if the situation does not soon improve.

All would supplement the arsenal of defensive and offensive economic weapons left us by the New Deal. Their purpose is not merely to halt the recession in its tracks but also to return us to the high level of prosperity from which we fell.

Already, certain of these measures have sped through Congress under Democratic sponsorship. A pace quickening of the Federal highway program has been authorized. Likewise, a speedup in defense construction.

An emergency housing bill has been approved, lowering downpayment requirements and increasing the Government's mortgage-buying resources. It was on this bill that the philosophical differences between Democrats and Republicans were most clearly shown. The Senate bill, as reported by committee, contained a provision raising the interest rate on GI home loans from 4.5 to 4.75 percent. Senator MONRONEY offered an amendment to keep the rate at 4.5. The final vote was 48 to 47. Six Democrats voted for higher interest rates; 41 voted against. But on the Republican side the vote was 42 for higher rates and only 6 against, and 1 of the tight-money votes came from Vice President RICHARD M. NIXON.

Congress has also passed two resolutions urging the President to act on powers he already holds. One resolution urged stepped up activity on $4 billion of authorized public-works programs. The other asked the President to hold the line for the present on farm price supports to prevent further farm unemployment. This request the President promptly vetoed. Again the difference in party positions is abundantly clear.

The President suggests that the Democrats are moving too quickly. My sole complaint is that the Democratic Party is not moving swiftly enough. I believe that our task is not just to seek revival of the economy with emergency measures but also to improve our defenses against an extended recession. The danger, alluded to by the President himself, is that we will get only a partial revival, that we will stumble along for an indefinite period with a floating corps of jobless workers. Our job, then, is not solely to prevent the unemployment lists from growing. It is to establish full employment now and forever.

To this end, since the beginning of this Congress, I have introduced a series of integrated proposals aimed at increasing our antirecession firepower. These would supplement the heavy artillery which is our precious legacy from the New Deal.

I have sought an increase in the national minimum wage to $1.25 an hour and in retirement benefits to civil-service employees. These measures would broaden the base of the economy and provide a needed boost in general purchasing power. I have also introduced a number of measures to liberalize the Social Security Act, and have proposed the creation of a Federal Agency for Handicapped. Similarly I am sponsoring a program of national health insurance and a system for distribution of surplus foods to the needy. All of these measures, if enacted, would reduce the severity of an economic slump and, even more important, protect the unemployed from the hardship and heartache which recession necessarily imposes on low-income groups.

A quarter century has passed since the New Deal programs first went into effect. Price levels have risen sharply. The squeeze is on. Yet we are warned against moving too quickly to adjust the old programs to current prices. I cannot accept this verdict. It is the view of men who adapt slowly—if at all—to the facts of life. They never did understand the economics of free employment.

To fight unemployment successfully, the Federal Government must have a full kit of tools. Accordingly, I have introduced bills calling for the beginning of substantial urban renewal and public-works programs. I have sponsored legislation giving special consideration to areas where unemployment is most acute. This would mean, among other things, preference for these areas on defense orders. In addition, I have submitted companion bills raising income-tax exemptions from $600 per person to $700 or $800 per person. This would put purchasing power directly into the hands of lower income groups. This method is better than the across-the-board percentage cut which has been suggested by some and infinitely more desirable than the upper income tax cut which the administration is reported considering. Again, the difference in viewpoint is perfectly clear cut. The administration still cherishes the utterly false notion that prosperity can be made to trickle down from the highest to the lowest. Give the rich more money, it is suggested, and they will invest it. Investment will turn the wheels of the economy.

Again and again history has revealed how absurd this theory is. Without the expectation of profit, there will be no investment—regardless of the amount of cash jingling in the pockets of the wealthy. Without general purchasing power, there will be no expectation of profit. Our task is to put money in the hands of those who will spend it, creating demand, creating the expectation of profit and finally creating the urge to invest.

Lastly, our task is to help the disaster victims, the men, women, and children who are the helpless heirs of this economic catastrophe. Had this been a hurricane, a cyclone, or a flood, the Red Cross would long since have been on the scene. A Federal assistance plan would have streaked through Congress with the blessing of the President. We can do no less for the victims of recession. Unemployment is not the fault of the unemployed. It is a defect of the system, with results as terrible as any of nature's accidents.

I have therefore introduced a bill extending the unemployment compensation program to 39 weeks, raising benefits to a decent level and imposing Federal standards in the place of patchwork inadequate State standards. This would be paid for half by the States and half by the Federal Government.

Meanwhile, as his administration's contribution, the President proposes Federal loans to the States in place of grants. I reject this approach. Once more it spotlights the fundamental inability of the Republican Party to cope with economic crisis. Our economy cannot be Balkanized into 48 parts. We are strong only as we pool our substance and share our risks.

Unfortunately, economic logic will not prevail over hesitancy and stubbornness in the White House. The Federal Government can do its part only if it has the equipment. If the President will not furnish the necessary leadership, then it must come from the Congress. The differences between the Democratic and Republican Parties are sharply drawn. I, for one, am prepared to submit the record for the public's judgment.

Congressman Celler Speaks His Mind on His Weekly Radio Broadcasts, Over Station WINS, New York, April 13, 1958

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1958

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the transcript of one of my weekly radio broadcasts over Station WINS, New York, April 13, 1958:

ANNOUNCER. Do you agree with Mr. Bernard Baruch that our taxes should be increased rather than decreased?

Mr. CELLER. That idea of Mr. Baruch's is as startling as it is uneconomic. His only concern is inflation. But there is more involved than our present economic distress of inflation. Unemployment, not solely the result of inflation, has gone over 5 million. The peril point has been reached. Recently, 10,000 workers went on jobless relief in New York City alone. All industrial areas are threatened with more layoffs. Detroit, the auto center, is a ghost city.

Purchasing power throughout the Nation is like a flat tire. Money must be pumped into the market to buy goods deteriorating on the shelves. Some tax reduction, particularly on the widest base possible—that is, to low bracketed income taxpayers—must be passed. This will permit more money to be spent, thus moving inventories, and give the spur to production. Dr. Arthur F. Burns, erstwhile chief economic adviser to President Eisenhower, advocates a $5 billion tax cut. He said as follows:

"If * * * we delay more than a very few weeks, in the hope that economic recovery will come on its own by midyear, we shall be taking the risk of having to resort later to drastic medicine. In that event, we will find ourselves piling a huge deficit on top of the deficit that automatically flows from reduced tax revenues, with the result that our economic problems in both the short run and the long run will be multiplied manyfold."

As to Mr. Baruch, let me dip a little bit into history. Away back in February 1933, when we were in a depression, Mr. Baruch offered the same prescription for ending that depression, to the Senate Finance Committee.

What he said last week was a repetition of what he said in February 1933, namely, that a tax cut would be folly and that taxes should be raised. Let me quote his 1933 statement. "Balance budgets, stop spending money we haven't got. Sacrifice for frugality and revenue. Cut Government spending, cut it as rations are cut in a siege. Tax—tax everybody for everything."

Contemplate for a moment what would have happened if President Roosevelt had followed his advice in 1933. We would have plunged deeper and deeper into depression. Indeed, Mr. Baruch gave bad advice in 1933, and he is giving bad advice in 1958.

ANNOUNCER. Have you offered any bills for a tax cut?

Mr. CELLER. I am not a member of the Ways and Means Committee but I am trying to cushion the current recession by offering a bill which I hope will pass. This would provide immediately a 3-month moratorium on withholding tax paid by all workers who earn less than $10,000 per annum and a corresponding adjustment in individual tax liability. A great bulk of our working population have a part of their wages withheld for income taxes, social security, and the like. The workers would have the benefit of these funds for a 3-month period, thus enabling them to return to the market for more than the bare necessities. It should prime the economic pump by restoring some purchasing power.

ANNOUNCER. How accurate is that report that you are a candidate for the United States Senate from the State of New York?

Mr. CELLER. When asked this question previously, I have said that I am not an anxious candidate but, on the other hand, I am not a reluctant or hesitant candidate. However, I await the wishes of the party. I have had 35 years of experience in Congress and, as we all know, there is no substitute for experience. My record is an open book. I like to think that I have the mental competence, and I am sure I have the moral fitness to fill that high and exalted station. Many good names have been mentioned for this preferment and I am proud to have my name associated as well with these exemplary gentlemen.

ANNOUNCER. Your name has been frequently associated with immigration legislation. Will there be any changes in immigration law?

Mr. CELLER. Immigration comes under the jurisdiction of the House Judiciary Committee of which I am chairman. Hearings are scheduled to be held in about a month on pending legislation. These will be comprehensive hearings to cover all shades of opinion on the subject of immigration and naturalization. My personal conviction is that the immigration quota law, as we have it set up, is unfair and discriminatory. We are permitted to admit, roughly, 152,000 people a single year under the quota system. But, unfortunately, people of certain races are favored over others. For example, most of the quota of 152,000 goes to individuals of the Aryan or Nordic races, that is the English, the Irish, the Germans. Speaking comparatively, about one-third of the total annual figure is set aside for natives of Italy, Greece, Spain, France, and countries of Eastern Europe get tiny quotas. When I speak of Eastern Europe, I mean Poland, Czechoslovakia, Hungary, and I don't mean the Communists. Communists are barred, but there are many non-Communists who are nationals of these countries. Great numbers of them do not even live in Eastern Europe but are refugees in all parts of the world. They clamor for admission into the United States. As we know, they make good citizens—just as good as the Irish, the English, and the Germans.

I would eliminate such discrimination against the Italian, the Greek, the Spanish, and others, and which favor the English or the Germans. Such a distinction is contrary to our American tradition. All these people are equal in my eyes. I am not so much interested as to where they were born as long as America is born in them. If they have an appreciation of liberty and freedom and fair play, then America has been born in them and they should be admitted on a parity with all others. I shall strive to have the law changed so that it will be freed of its prejudicial and discriminating features.

I want men to come here who will be of good character regardless of the label of their race, creed, color, or place of origin. Character is what you are in the dark. Character is what you are when no one is watching.

The opponents of my ideas on immigration are usually those who prate of their better or nobler blood. I say to them—send your noble blood to the market place and see what it will buy.

Others who oppose my point of view are those who boast of their family tree and their ancestors. As for them, I say one cannot make for himself a place in the sun if he continually takes refuge in the shade of a family tree. Your grandfather may have been 6 feet 7 inches tall, but you have to do your own growing.

ANNOUNCER. You are the author of the civil-rights bill which passed the Congress and which was signed by the President and which is now law. Do you contemplate any further steps on civil rights?

Mr. CELLER. Yes. My civil-rights bill was primarily a bill to insure equality of rights on the political level, that is, voting rights. Negroes had been disfranchised in primary and general elections in numerous States. My bill offers remedies against such practices. The bill also sets up a Civil Rights Commission, which is just about getting off the ground. Its purpose is to study desegregation as announced in the Supreme Court decision and to consider other discriminations against the colored people. In all this, we have reached a sort of plateau on the way to the summit. We cannot tarry there.

I have offered a bill to prevent discrimination against colored people on all levels of American life, housing, labor, transportation, public welfare, and the like. The Judiciary Committee, of which I am chairman, has jurisdiction over such bills and I shall start hearings in about a month's time on this highly important subject.

Justice still must be done to the Negro. His rights are still flouted and disregarded in many parts of the land. It has been said justice is the bread of the Nation because all hunger for it, white and colored alike. The colored should have this bread of the Nation.

ANNOUNCER. What do you think of bomb testing?

Mr. CELLER. I believe it is criminal—and I use that word advisedly—for our administration to impose its bankruptcy of ideas upon this Nation. There is not one area, be it our domestic economy, foreign policy, military or scientific advancement, where we have not suffered tragic loss of leadership. Now the Russian announcement of the cessation of nuclear testing has caught Dulles in bathing and the Russians have made off with his clothes. He did not have to go to the summit to lose his shirt. Now we are paying the price for his inflexible, negative, quibbling policy on nuclear test detection. As Adlai Stevenson said, in anticipation of the Soviet move, we have again missed the opportunity to take the initiative. For months we clung to a formula unacceptable to the Russians. We insisted that cessation should be tied in not only with inspection but with an end to the production of nuclear weapons. When the Russians accepted the inspection principle, we still refused to budge. It was all or nothing.

And nothing is what we got.

The President all too easily became captive of the Dulles policy. Inch by inch, and now yard by yard, the United States has lost the initiative in world affairs. Mr. Dulles is so busy saying "No" that he has no time, if indeed he has the imagination, to come forward with any affirmative idea which would give the lie to the Soviet propaganda—that we are warmongers interested only in making bigger and more devastating bombs. Propaganda-wise, now the flag of peace flies on the Kremlin instead of the White House.

Can we pull ourselves out of the dilemma in which the administration attitudes have placed us? We cannot become a mere echo of the Soviet line and stop the tests at this point—only because the Russian announcement pushed us into it. The stopping of such tests must be based on considered judgment, whether or not it would best serve the cause of an honorable peace.

Ought we not to consider the placing of all future tests under United Nations supervision as solid evidence of our good faith, placing our emphasis on the need to increase the peaceful uses of nuclear energy? Then the world could know the results of the tests of detonating clean weapons. Thus the United Nations could declare the devastating effect of radioactive fallout and its danger to humanity, and order all nations to cease testing bombs.

ANNOUNCER. What about Federal aid to education?

Mr. CELLER. That is a very interesting question because I have some novel ideas on this subject and I think we can help the economy of the Nation and help education in the same step.

The most acute domestic deficiencies of the United States are our schools, educational facilities, and teachers. These deficiencies are now reflected, and will continue to be reflected, in the quality of our social, as well as our military achievements. There is no question at all of the need for accelerating the building of schools and making provision for adequate teaching staffs.

I believe we can attack this problem constructively and, at the same time, give the needed impetus to economic revival. There is a way, a practical and realistic way, of accomplishing this. I intend to propose that a percentage, shall we say 1 percent, of each Federal, personal, or corporate income-tax payment be paid directly to the resident State—to be earmarked and used exclusively for educational purposes—which would include the building of schools and the increase in salaries for teachers.

Thus, the objection, valid or otherwise, which has stood in the way of enactment of legislation giving Federal aid to education will be removed. Many have feared Federal control of education and this has been one of the major stumbling blocks. My proposal will give the States control of the management of these funds, albeit for educational purposes exclusively. Likewise, this direct payment to the States by the residents thereof will give a tremendous boost to the economy of each State, for it must perforce create the demand for quantities of goods of many types, and thus spur our productivity. It will put back to work thousands within each State. There will be a need for steel, aluminum, cement, paint, woods, etc. The necessary economic stimulation would result, and it would be no make-work proposition. It would permit each State to draw upon the wealth of its own citizenry. I would propose, further, that such legislation provide that each State render an accounting to Congress on the uses to which these funds have been put.

How Does the Housing Situation Look to Leaders in Congress?—An Interview With Representative Albert Rains

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 15, 1958

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article which appeared in the Journal of Home Building for March 1958. It is an interview with my very distinguished and able colleague, Representative ALBERT RAINS, chairman of the House Banking and Currency Subcommittee on Housing, conducted late in January of this year by a group consisting of 2 builders, both of them national officers of the National Association of Home Builders, and 6 specialists from the NAHB staff.

The interview follows:

AN INTERVIEW WITH REPRESENTATIVE RAINS

(How does the housing situation look to leaders in Congress? What do they think about the problems affecting the industry? What sort of legislation can the industry look forward to this year? In an effort to bring you closer to the legislative scene, the Journal publishes this exclusive interview with one of the most knowledgeable men in Congress on the subject of housing, Representative ALBERT RAINS, Democrat, of Alabama, chairman of the House Banking and Currency Subcommittee on Housing. Mr. RAINS was interviewed at the National Housing Center late in January by a group consisting of 2 builders, both of them NAHB national officers, and 6 specialists from the NAHB staff. The interviewers included NAHB President Nels G. Severin; NAHB Second Vice President Martin L. Bartling; NAHB Executive Director John M. Dickerman; National Housing Center Director Neal Hardy; Legislative Director Joseph B. McGrath; Economics Department Director Nathaniel H. Rogg; Public Relations Director Robert F. Loftus; moderator: Journal Editor Stanley Baitz.)

Question. Mr. Congressman, the home building industry believes that its impact upon the economy is basic to the healthy functioning of the economy generally. At the same time, we do not believe that home building by itself can cure an ailing economy. Also we object to being treated as a kind of economic safety valve to be turned on and off depending upon the opinion of Government officials or advisers as to the general trend of business.

Would you care to give us your own views, Mr. RAINS, on the economic impact of housing on the Nation, and how this might better be treated within the executive branch?

Answer. Well, first of all, let me say that I am delighted to be here and to attempt to answer some of the questions that are so pertinent to the home building industry and to the people in America who need and want to purchase homes.

In answer to your question I would say this, that I agree that home building is one of the basic industries in America and that it should not be used at any time merely as a pump priming device. It plays a very important part in the economy of our Nation. But there are many in the administration who in my judgment have been slow to realize that we are not meeting the housing need in America because of the smallness of some of our programs at the Government level. I hope that they will open their eyes to the need of keeping a live and growing home building industry now that we are faced with a recession.

I agree with your thesis completely, though, that it should not be regarded as an on-and-off program, to be used only to stem recessionary tides. We need to get year in and year out a much greater volume of good homes built in America than we have been able to get in the past. That is my firm belief.

THE TIME FACTOR IN HOME BUILDING

Question. Do you think, Congressman, that the officials concerned with the problem really realize what confronts the home builders today in getting back into a production that will have a real effect upon the economy? I mean the lead time involved in a home builder's program, between when he gets the idea that a particular piece of land, for instance, might be a good place to build a group of houses, and the time that he can actually produce them. Too many people, it seems to me, today are depending upon us now to bring the economy back up, and that is of real concern to us.

Answer. Well, I stated in my speech before your great convention in Chicago, you will remember, that the home building industry is one of the areas which is in need of greater impetus by the Government in order to meet what I regard as a recessionary trend. I did not mean to say, however, that I would relegate the home building industry to the role of economic pump primer only. I regard the home building business, certainly, as an important part of our economy, and if it were not, you would not be entitled to the serious concentrated thinking that I and those like me in the Congress are attempting to give your problems. The basic thing, though, is that we want homes for the American people, and the administration ought to understand that you cannot use it as a stopgap measure, off-again and on-again.

ONE MILLION FOUR HUNDRED THOUSAND UNITS A YEAR

Question. Mr. RAINS, I noticed in your speech in Chicago, which you just mentioned, that you pointed especially to something with which we agree wholeheartedly, that the basic problem in housing is not a decline in housing demand but one which reflects primarily financing difficulties in the absence of a true, low downpayment plan. I wonder if you might elaborate, perhaps, on your thinking as to those two points.

Answer. It has always been clear to me over the years as chairman of the Subcommittee on Housing, as I have traveled around the Nation, through the cities of the country, that while there may be certain times in certain areas that demand may be met for a few months, there is no place where, with a little more time, more houses will not be needed in the growing economy in which we live.

It is my belief that the demand for housing is truly great today. In fact, more people write me letters today as a Member of Congress inquiring as to why they cannot get a house, or what can be done so they can get a house, than ever before. I think the people in the administration and the people generally ought to understand that the housing demand has not been met, and there is still a great market and likely will be.

In fact, I think that all of the prognostications for the future show that we will need more houses as the years go by. So I have said many times, and I believe this sincerely, we ought to have at least 1,400,000 units a year of new construction, and another 600,000 should be provided for by reconditioning and rehabilitation of existing housing. Now, that is a much larger program than is envisioned by the President's message to Congress, but it is one that I think is not a crash program at all, but is just meeting the daily needs of the people generally.

I hope that we will be able to fashion in the Congress housing legislation for this year which will aid materially in helping the home builders to arrive at least at that goal next year.

Question. In connection with that, Mr. RAINS, as you well know, last year the Congress helped increase housing demand considerably by lowering the FHA-required downpayment. What is your opinion as to the attitude Congress will take toward the possibility of approving an additional lowering of the FHA downpayment schedule?

Answer. Well, you put your finger on what I think is the greatest need in the FHA program. You know, I share your opinion that the thing we need most is the lowering of the required FHA downpayment. As to what I think Congress will do, I have to admit that is a rather tough one. Since I personally favor it, I entertain the hope that we will be able to convince other Members of Congress, sufficient numbers both on our committee and in the Congress, that it is needed.

We will run into opposition from other groups, as you know, and there will be the contention that equity in a house should be even more as we face what might be a recession, but it is my honest belief that we will be able to write legislation—I will stick my neck out—which will lower the downpayments considerably.

Question. Do you feel that Congress will take any action to continue the VA World War II home loan guaranty program, and if so, is there any likelihood that the interest rate will be increased? Thirdly, do you think the VA direct loan program will be continued?

PRESIDENT'S ATTITUDE UNCERTAIN

Answer. I will take those questions in reverse from the order in which you asked them. I believe the Congress will act to extend the direct loan program, but I do not know what will be the attitude of the President. As you know, he vetoed it last year. I also feel reasonably sure that the Congress will continue for at least 1 year, and possibly 2 years, the loan guaranty program of the VA. Now, was there another question?

Question. Yes, will the interest rate be increased on VA loans?

Answer. Well, at a time when interest rates are generally beginning to come down, I can say very sincerely that Congress will be very unlikely to increase the VA rate.

Question. Do you believe that that would be the case in view of the demonstrated inability of the builders to secure financing—almost complete inability to secure the financing needed under a 4½-percent rate for the GI program?

Answer. I am aware that over the months past it was almost impossible to get it. There is some hope that you may be able to do some financing at that rate if things turn out as expected in the mortgage field this year. I do not, however, entertain too much hope there will be a great flow of money at 4½ percent. But speaking to you from the standpoint of practical reality on the Hill, I must say that Congress will never agree to raise interest rates this year.

Question. Mr. RAINS, in line with that, what do you think of the administration's proposal that all limitations or ceilings on interest rates be reviewed and that authority be given to vary rates in line with market conditions?

Answer. I am personally very much opposed to that proposal. I might also add that I can find no sentiment in favor of it in the Congress. I believe that the overwhelming majority of the Members of Con-

gress agree with me that in such Government-insured programs as the FHA, which are virtually riskless to the lender, that the Congress has a right and duty to establish a maximum interest rate to protect the consumer.

Question. There is a great deal of sentiment, as you are well aware, sir, among a number of members of the lending fraternity, and as a matter of fact, at the meeting of the American Economic Association this past December, for freeing the interest rate completely, as they call it, and for allowing the interest rate, even on the FHA and the VA programs, to be a matter of bargaining between the lender and borrower. I assume you are satisfied in your own mind that the Congress will not take such action this year.

Answer. I am absolutely certain that Congress will not take such action this year or any year in the foreseeable future.

Question. That, of course, came up to the Congress as an idea in the President's budget and economic messages. I wonder, Mr. RAINS, what you thought generally of the President's budget message so far as it affected housing and urban renewal?

Answer. Generally, I would say that I felt that the President's budget failed to recognize the truly important place that the housing industry holds in the American economy for two reasons. First of all, the need and the primary want of the average American family is a home. I believe the home is the bedrock of our American democracy. Therefore, housing should have received more attention. Secondly, and I say this sincerely, I think he failed to recognize in his message how important it is to have a thriving home building economy in this year of recessionary influences of various types.

Question. Mr. RAINS, speaking of the budget, we all know that the President's budget is based upon a continuation of present tax rates. Do you think there is any likelihood of a tax cut during this coming year?

Answer. Yes. Of course, I realize that future events may make this prediction of mine look completely out of line, but as one who stays in close contact with the Members of Congress and the problems affecting our economy, by virtue of my service on the Banking and Currency Committee, I am convinced that the Congress will pass a tax reduction bill sometime after the Easter recess, toward the end of the session.

The reasons for it are beginning to show and are clearly evident to me. In the first place, the economy, in spite of all that some people have to say, is truly lagging. I think that February figures will show possibly 5 million unemployed and, frankly, men in both parties who are looking at it seriously expect that figure to grow until possibly 6 million by April.

It is my considered judgment that when the Members of Congress go home at Easter and they get the feeling at the grassroots back home and find out how many are unemployed and how business is declining, they are going to want to do something to reduce the tax burden in the hope that it will revive consumer purchasing power. That will be one reason. In the second place, I am frank to say that you must always remember that this is an election year, and it never hurts the Members of Congress to cut taxes in an election year.

Question. I would like to explore this a little bit with you, if I may, Congressman. From what I read of the reports of the administration and the Members of Congress, too, they are looking to home building to be an important force for recovery from the recession to which you referred, and I have little doubt that a tax cut might be one thing that could encourage people to again consider the purchase of a house.

But how generally is it realized by the Members of Congress that people across the country today are reluctant to buy because they feel a sense of insecurity in their income, and what can Congress and the Government do to make it possible for us to find the buyers of the houses that we know we should build?

Answer. You asked a really hard question. Of course, you actually open up for me one of my pet gripes, and that is that the administration money managers have acted on the assumption that you could stop high prices and inflation by a hard-money policy. The simple truth has been that it did not cut the cost of living, it did not stop inflation in the slightest. Instead, what it actually did was to make it difficult for home builders, home buyers, farmers, small-business men, and others to get credit. This in turn brought on the present recession.

WHAT THE GOVERNMENT CAN DO

Now as to what the Government can do to correct the present situation. First, the Federal Reserve Board should vigorously pursue an easy money policy by further lowering the rediscount rate, strongly support the Government bond market by engaging in open-market transactions, and very probably by reducing bond reserve requirements.

I believe a tax cut would be the greatest help. A $3 billion tax cut would create a vast reservoir of consumer purchasing power. Such a cut would, if given quickly enough, in my judgment, reverse the present economic downtrend. I frankly do not believe the military spending program will be any immediate help because of the timelag. And if all these things fail, we should step in fast with a public-works program.

So, in order to give the economy an immediate shot in the arm, I think Congress will finally come around to the idea, along toward the end of the session, that we had better give a tax cut.

Question. That is a very interesting and fruitful prospect, Mr. RAINS, and I guess you would say that it remains to be seen whether or not we are going to be able to stave off a depression.

Answer. I do not believe at all that we are about to go into a depression. I do not feel that at all, even though in my own hometown employment is down, big steel mills and big rubber mills, and all of those basic industries; but I do say this, that it is absolutely urgent that the flow of money become easier, and that the people get a little better sense of security and more purchasing power, or we could find ourselves in a very serious recession.

Question. Mr. Congressman, in the event that we could get Congress to face up to the fact that there just plainly is no money available for the GI program at a 4½ percent rate, and they would raise the rate to the point that the home builders would be able to secure the funds that they need, do you not believe that that would have a terrific effect upon the ability of the home builders across the Nation to produce housing that would tend to overcome this reluctance that presently exists in the minds of people who buy?

Answer. Well, last year when the question was up—of course, you realize that this particular issue you are talking about is handled by a committee other than mine, which is the Veterans' Affairs Committee, chaired by my good friend, "TIGER" TEAGUE of Texas—I appeared before his committee and presented as best I could what I thought was the need. When it became clear that the GI program was not going to be revived, I attempted, very frankly, to broaden the FHA with a veterans' preference. The FHA insurance premium would have been waived for veterans and they would have received other privileges. Unfortunately, that part of the housing bill was stricken out on the floor of the House.

I never have said that I would not personally favor some increase in the GI loan rate. I am simply saying now that it is impossible, in a year of falling interest rates, to expect the Congress to look with favor on raising it. So, as a matter of fact, I do not think it will be raised. I think instead that you will see lower downpayments in the FHA, and possibly a reduction in the insurance premium to make FHA even more usable to the people who would like to go in the GI program.

It is also my judgment that before the end of the year, if things continue to roll as they are, there will be some money at 4½ percent for the GI loan program.

THE URBAN RENEWAL PROGRAM

Question. If I may, Mr. RAINS, may I ask you a question about the urban renewal program? There has been a good deal of discussion lately about the administration's proposal to reduce gradually the Federal Government's share in the cost of acquisition and clearance of slum sites. May we ask for your views on this proposal?

Answer. My subcommittee has just concluded 3 days of hearings—in fact, we began them the day after Congress met—on slum clearance and urban renewal.

As to the President's message, I disagree with his proposal completely. In the first place, I do not think his program will provide enough funds to make a dent in getting rid of the slums; and, second, instead of reducing the Federal share of the cost, I think we should be realistic and recognize the fact that cities are up to their eyes already in financial problems, and that we should probably raise the Federal share of the cost. That was borne out by the witnesses at this hearing, and they were among the leaders of the municipalities of the Nation, who said that they had gone about as far as they could.

Question. A moment ago you were referring to some of the procedures being used by the administrative branch in monetary matters. We have had no major overhaul of our monetary system in 50 years, since the establishment of the Federal Reserve. Has there been any discussion, or is there going to be any in this coming Congress, with respect to the powers of the Federal Reserve or any other governmental agencies in these fields?

Answer. There is no proposal for any immediate legislation to do a general overhaul. Among a great many Members of Congress—I am not one of them—the Federal Reserve System Board is almost sacrosanct, and I have to confess that many of us do not quite understand all of its working. There is presently pending before our committee a bill entitled "The Financial Institutions Act," on which we are now holding hearings, which provides for a recodification of the banking laws, but it does not go to the heart of our monetary and credit problems. I am one who thinks that the Banking and Currency Committees of the Congress should undertake a study of our monetary system. You will remember that about a year ago Representative PATMAN had a resolution in to do it but it was defeated. But sometime or other Congress is going to have to look into it to see if the Federal Reserve System meets present-day needs.

Question. In your recent investigation, what were some of the principal abuses you found pertaining to second mortgages, and what could be done toward eliminating them?

DANGEROUS SITUATIONS SEEN

Answer. I know that is a subject in which you gentlemen are vitally interested, because you are generally caught with them, and I am sure don't like it. The truth is, we found in certain sections of the country—and we just issued a long factual report on it without any comment—rather fantastic and what I think are truly dangerous situations existing.

In a great many places we found in use the vicious, balloon-type second mortgage which, as you so well know, comes due all

at one time. The purchaser lives in a fool's paradise, paying small payments, and all at once the whole thing comes due. That is prevalent in many sections of the country.

You ask me what can be done about it. We are still in the process of studying this matter and we have not come up with anything like a final answer. I do believe, however, that we may be able to devise some type of legislation controlling abuses of the second mortgage in connection with first mortgages which are made by federally chartered or federally insured lending institutions. Just what form this control might take I don't believe I am prepared to say at this time.

I do feel very strongly, though, that we must find some method of ending this vicious practice. It is certainly not criminal, but it is economically most unsound, and you will recall, gentlemen, that second mortgages made in the twenties were a major contribution to the great depression of the 1930's. I might also add we can help eliminate second mortgages by making the FHA program more attractive and by making sure that there is an adequate supply of mortgage money available for FHA loans.

Question. Mr. RAINS, there has been some discussion within the industry about possible lowering of the FHA insurance premiums. Would you favor such a move, and do you feel that the FHA reserves are in a strong enough position to warrant a reduction or, alternatively, would you agree that if FHA does not reduce its premium, it should take a risk commensurate to the premium that it is now getting?

BELIEVES RATE CAN BE CUT

Answer. It is my firm belief that in the light of the small losses over the years that have occurred in the FHA-insured loans—and that record is one that we can all be proud about—that the FHA insurance rate could possibly be cut in half. I am told by men who have made a careful and serious study that the reserve is even ample to weather another depression like the 1930's. I am further told, and I think I mentioned this in my speech at your convention, that under a similar program such as this in Canada, their premium is less than FHA's, so I think it could be cut, in my honest opinion, with all safety, and that the reserves would be ample.

Question. The growth of our metropolitan areas has created many problems in the general field, in its community facilities, such as additional sewerage and water plants, for example. Now, there has been talk—no specific proposals—of a special Federal-type insurance to assist in obtaining private loans for such plans. What would be your attitude toward it? Do you believe that the problem has become so broad that Congress would approve a program?

Answer. It hits at two points: First, the cities are hardly able to bear the burden. Secondly, if the home builders must bear the burden, anyone knows that the cost must be included in the price of the home. There ought to be some way worked out, and it needs to be done immediately if we are to help bring down the cost of housing in the metropolitan areas, and also to enable cities to meet their just obligations, whereby neither the city nor the builder would be compelled to carry the whole load.

The present community facilities program is not meeting the needs, of course, and I hope that our Housing Committee before the end of the year will be able to bring forth some kind of recommendation in connection with the community facilities program which will be helpful.

Question. May I, Mr. Congressman, ask your viewpoint on the FHA premium on section 203 in particular, which is presently one-half of 1 percent. In view of their demonstrated very low loss ratio, rather than the consideration of cutting the premium presently charged, would you look favorably upon FHA assuming the greater risk, so that more people would qualify?

Answer. Well, of course, (many) people are now excluded by virtue of the regulations of FHA which set up credit rating requirements. I think the FHA is often too restrictive but I do not see how legislation could change that.

Question. I do not ask for legislation. You proposed that legislation might reduce the premium, and I wanted your views on maybe approaching it from the other point of view, leaving the premium the way it is and assuming a little greater risk as an insuring agency than they presently do.

Answer. I think both could be done. We could reduce the premium and they still could be more liberal than they are. It is not true in every office, perhaps, but it is true in some offices that they are too stringent on the credit ratings of some of the people.

DISCOUNT CONTROLS A PROBLEM

Question. Now, may I ask your views on this: The administration, and certainly the real estate and home building industries, regard as one of the major points the removal of discount controls on FHA and VA loans. I come from a part of the country where it is of real concern, and in line with your comments on second mortgages, I think very definitely is responsible to a large measure for the growth of the second mortgage. Now, what would you expect Congress might do this year on removal of discount controls?

Answer. I would first say that second mortgages were certainly in evidence everywhere prior to discount control, and I cannot agree that discount control is the cause of second mortgages, because the record would show the reverse. Secondly, I don't think that discount control carries with it all of the implications of harm that some people seem to ascribe to it.

The people who are truly dismayed with it are the people in the administrative agencies who do not like to fool with it. They say it is difficult to administer, and I am sure it is, but I have no sympathy for the answer, very frankly, because that is what they are paid for, to administer it.

Next, there are many people in Congress who think that discounts are stealing, that they are sinful. They do not understand that a reasonable discount is a part and parcel of the trade. I understand that it is and I know you cannot outlaw discounts completely, and I do not favor that. There are others who think you should set it at a given percentage, and I do not favor that because I know that would create an unreasonable situation. In some areas, like mine in the South, naturally discounts must be higher than they would be in New York or New England.

But not all Members of Congress agree with that. In fact, the majority of them did not seem to last year, so we in the committee, those of us who were trying to draft the legislation, battled for what we thought was a fair compromise; namely, a reasonable limit on discounts. We did not say they should be set at 1 percent, 2 percent, or 10 percent, or what; we said they must be reasonable.

The administrative officials do not like that kind of decision to make, but somebody has to make it—you cannot write into a law what it should be. You must depend on fair and reasonable administration.

I do not think—and this is my considered judgment—that discount control written as it is in the law is unreasonable. It keeps the administration alert to the fact that they must not allow unconscionable discounts, which would put the whole housing program in jeopardy. I do not believe that the Congress will ever agree to completely remove any type of discount control.

Question. Mr. RAINS, I would like to pose a problem here that has worried all of us at NAHB. We sincerely have tried to figure out some solution to the lower cost housing problem for the people who need it. As you know, we have had the question raised that we are leaving our market, we are not taking care of it, and so on. Many people in NAHB have seriously tried to figure out the solutions to it, and we find the impediments to low-cost housing sometimes almost intolerable. Some of them are that the agencies laying down the specifications for housing, and so forth, have raised unrealistic standards. Even more serious, in a way, than that is the fact that money from the life insurance companies, the conventional sources for low-cost housing, is almost unobtainable. You try to get money from any of the major life insurance companies for low-cost housing projects and you just do not get it.

You know, last year we suggested that $2 billion of special assistance be provided in Fannie Mae. This has not come up this year, as I understand it, but in our talks on some way to solve this money problem, which is really serious, I wonder if some thought should not be given this year to providing special assistance under Fannie Mae, or some type of moral pressure be applied to the life insurance companies?

Answer. I share NAHB's opinion that we need in the Fannie Mae special assistance fund a large sum for the specific purpose of helping the home builders of the country to meet adequately the demand of the people for housing in the low-cost bracket. Frankly, I know of no other way to do the job.

I think that if we are to have special assistance for other programs, including apartment houses, that we ought to recognize—and when I say "we," I mean the Congress—should recognize the need to help you meet the demand in the low-cost field, because that is where the most urgent need is today. I am hopeful that we will be able to put legislation through that will provide a large sum in the special assistance fund just for that very purpose.

Question. I am glad to hear you say that, because I think it is a real tragedy that people who really need housing have to pay the dearest price for the commodity. That is actually what the situation is.

I was going to ask, Mr. RAINS, if this had come to your attention: There has been a problem, at any rate over the past year, regarding some selectivity by the Federal National Mortgage Association, which has worked to the disadvantage in a number of cases of lower cost homes which did not meet with the approval of Fannie Mae and homes which had previously been insured or guaranteed by the FHA or VA.

Now, we are not anxious to open up Fannie Mae for the purchase of all housing in America, but in its help to new construction we are hopeful that it will not in any way discriminate against lower cost housing.

Answer. I think Fannie Mae, as I have said so many times, is not staying within the law itself when they use the extreme selectivity which they do with reference to the purchases of mortgages.

Fannie Mae seems to feel that it should be operated on the theory of a bank, to make a profit. That is not the concept of Fannie Mae as I hold it at all, and I do not think Fannie Mae is entitled to reject, just of its own desire and its own will, certain mortgages and select others. Time after time we have tried to make it clear in reports of my committee that, in our judgment, that is not the way it should be operated. I think they should be required to buy all properly insured FHA and VA mortgages.

Question. Mr. Congressman, do you think that it might be possible for the Congress to consider the revision of the law to the extent that Fannie Mae might be permitted to accept FHA and VA mortgages as pledges for loans to their mortgages, providing them

thereby a different service than is presently provided, so that they—

Answer. This proposal has come up before and it may well have merit as a means of making FNMA a more truly secondary market. We certainly will study it.

HOUSING FOR THE AGED

Question. Mr. Congressman, there has been a great deal of interest, the past 2 or 3 years particularly, and a growing interest both in and out of Government about the problem of appropriate housing for our aged. In fact, I understand that the President has recommended that section 207 of FHA be separated so that there will be an independent rental housing program for elderly persons. May I ask whether you would favor such an action and whether you believe there is enough need for a specific Federal program to justify special legislation in this field?

Answer. To put it rather bluntly, I think—and I have said so in the hearings—that the administration's proposals on housing for the elderly are just mere window dressing. Rents are too high. Under the present proposal the mortgages are not long enough. Several years ago I submitted in a bill, which unfortunately did not get through the Congress, a proposal that would provide for long-term, low-interest loans to nonprofit corporations for the building of homes for the elderly, somewhat along the line of the college housing program.

Actually, that is the only way that we are ever going to get rents the elderly will be able to pay out of their social security and various other retirement income. I think that housing for the elderly, because of the ever-increasing number of elderly people, is one of our very urgent problems, and I think we are going to have to approach it with much more realism than has been done by the administration.

Question. You have indicated your concern about the current state of the economy and probable growing unemployment. Would you care to comment on your views about the long-range future of American economy?

Answer. I am always an optimist on the long-range future of the American economy. I expect the economy to turn up considerably before the end of this year if the proper steps are taken by the present administration to combat the recession. In the long range, with the ever-growing demand and the ability to produce that we have in America, and with the great increase in population that we are witnessing, and the technological advances that we are sure to make, I think we are headed for prosperity in the days to come.

Question. Do you believe that any action will be taken by the Congress at this session on any of the several proposals for partial insurance of conventional loans?

Answer. Yes; there likely will be some action on those proposals. There are, of course, several different types of proposals. I doubt if any of them are enacted in the form in which they are now proposed, but there will very likely be worked out some legislation along that line which will be incorporated in the general housing bill.

Question. One final question—with all of your experience in the field of housing, Mr. RAINS, what do you regard as the largest unsolved housing problem?

Answer. It is my judgment that the largest unsolved housing problem is the one you mentioned a moment ago, the inability of the Federal programs, we will say, to reach the low-income group. I really mean that group that is sometimes referred to as the lower half of the middle-income group. It has been the inability of our programs to reach that group that I regard as the greatest unsolved problem we have.

MORE MORTGAGE CREDIT VITAL

Question. What do you think is the major measure or the major remedy that could be used to solve that problem?

Answer. The only answer is to make available more mortgage credit in that particular field, and in that I am sure the Government—because of the inability of the people to pay high rents based on high mortgages—is going to have to take a hand to help.

Question. I wonder, as we close, if Congressman RAINS might tell us what he thinks time-wise, might happen to the housing legislation in the session this year?

Answer. You all have been around here a long time. The truth is that the housing bill has a habit of being studied all year long [laughter], and then finally being passed in the long, hot, closing hours of the last days of the session. [Laughter.]

I judge that it will follow its usual course. However, the Senate hearings, as I understand it, are going to start sometime in March. We have held some hearings. We plan some other hearings on specific items, and the legislative mills affecting housing are beginning to grind.

I would like to say sincerely that those of us in housing on the Hill, my associates on the committee, and my good staff members, feel that you have given us a great deal of help and assistance, and that while we do not always agree, we are certainly able to work together, and that the end and aim of your great organization, as the end and aim of our efforts, is to get more and better housing for the American people. I want to congratulate your great organization.

SENATE

WEDNESDAY, APRIL 16, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, God, to the white altar of Thy grace in the brightness of this new morning we come, bowing in our ignorance and weakness, praying for strength and wisdom to face with courage the somber specters that stalk the darkened earth. Open our inner eyes, that with all our seeing we may not miss the beauty and strength of a spiritual world more real even than the blossoming boughs, now that April's here, or the feathered songsters that wing their trackless way above our heads.

Make us fit vessels to receive the glory and the good Thou dost desire to give to us and, through us, to all the waste places of this stricken earth, we ask in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 15, 1958, was dispensed with.

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. 6283. An act for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell;

H. R. 6390. An act for the relief of Bernard J. Hoffman, doing business under the trade name Pyro Guard Service Co.;

H. R. 7186. An act for the relief of the estate of Richard Anthony Nunes, Jr.;

H. R. 7718. An act for the relief of Roy Hendricks, of Mountain View, Alaska;

H. R. 9362. An act to provide for the conveyance of certain real property of the United States to Post 924, Veterans of Foreign Wars of the United States;

H. J. Res. 576. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 580. Joint resolution for the relief of certain aliens.

ENROLLED BILLS SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 280. An act for the relief of Agapito Jorolan;

S. 1708. An act to amend the act entitled "An act relating to children born out of wedlock," approved January 11, 1951;

S. 1841. An act to authorize the District of Columbia board of education to employ retired teachers as substitute teachers in the public schools of the District of Columbia;

S. 1843. An act to amend the act entitled "An act to create a Recreation Board for the District of Columbia, to define its duties, and for other purposes," approved April 29, 1942;

S. 2230. An act to authorize the Secretary of the Interior to convey certain lands to the Charlotte Rudland Dansie Association;

S. 2725. An act to exempt from taxation certain property of the National Council of Negro Women, Inc., in the District of Columbia; and

S. 3243. An act to permit certain foreign students to attend the District of Columbia Teachers College on the same basis as a resident of the District of Columbia.

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. 6283. An act for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell;

H. R. 6390. An act for the relief of Bernard J. Hoffman, doing business under the trade name Pyro Guard Service Co.;

H. R. 7186. An act for the relief of the estate of Richard Anthony Nunes, Jr.;

H. R. 7718. An act for the relief of Roy Hendricks, of Mountain View, Alaska;

H. J. Res. 576. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 580. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H. R. 9362. An act to provide for the conveyance of certain real property of the United States to Post 924, Veterans of Foreign Wars of the United States; to the Committee on Armed Services.

COMMITTEE MEETINGS DURING SESSION OF THE SENATE

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee